

QUESTION TAKEN ON NOTICE

BUDGET ESTIMATES HEARING : 22 May 2017

IMMIGRATION AND BORDER PROTECTION PORTFOLIO

(BE17/167) - Credit cards policy - Internal Product (DIBP)

Senator Bilyk, Catryna (L&CA) written:

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?

Can a copy of the Department's staff credit card policy please be provided?

Answer:

1. *Are any credit cards currently on issue in the Department or agencies within the portfolio connected to rewards schemes?*

No.

2. *Do staff receive any personal benefit as a result of those reward schemes?*

No.

3. *Can a copy of the Department's staff credit card policy please be provided?*

A copy of the Department's Financial Management Guideline on credit cards is attached.



Australian Government
**Department of Immigration
and Border Protection**

Credit cards

FINANCIAL MANAGEMENT GUIDELINE (1.05.01)

Procedural Instruction

This Financial Management Guideline (FMG) further details the requirements set out in the Accountable Authority Instructions (AAIs) – Resource Management Framework.

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1. Introduction

- 1.1.1. This Financial Management Guideline (FMG) further details the requirements set out in Part 5 of the [Accountable Authority Instructions \(AAIs\) – Resource Management Framework](#).
- 1.1.2. FMGs are commensurate with Procedural Instructions (PI) and are developed under the Policy, Procedure and Control Framework (PPCF).
- 1.1.3. This FMG outlines the key directions and guidance relating to compliance reporting processes and roles and responsibilities in accordance with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule).

2. Scope

2.1. In Scope

- 2.1.1. FMGs apply to:
 - the Commissioner of the Australian Border Force (ABF)
 - all employees of the Department
 - contractors and consultants undertaking work duties at the direction of the Department
 - any person who is defined as an official in accordance with section 13 of the PGPA Act and section 9 of the PGPA Rule.

2.2. Out of Scope

- 2.2.1. The following is outside the scope of this FMG:
 - Fuel cards – officials must comply with the Fleet Vehicle Instructions when issuing or using fuel cards.
 - Cabcharge e-tickets – these are accountable documents and Commonwealth credit vouchers for the purposes of the PGPA Act. The FMG 1.10.09 Cabcharge e-Tickets provides the key directions and guidance relating to Cabcharge e-Tickets and vouchers.

3. Records Management Requirements

- 3.1.1. All records created as a result of this FMG must be managed in accordance with the Records Management Policy Statement (TRIM reference ADD2016/948032). Records created as a result of this FMG must be saved in TRIM RM8 or saved in the approved Financial Management Information System, SAP.
- 3.1.2. Additional recordkeeping requirements that relate specifically to financial transactions and financial management activities are outlined in FMG 1.12.02 – Financial Records Management.

4. Glossary

Table 1 – Glossary of terms, acronyms and abbreviations

Term	Acronym (if applicable)	Definition
Accountable Authority	AA	the AA of a Commonwealth entity is the person who has responsibility for, and control over, the entity's operations. In the Department, the AA is the Secretary.
Accountable Authority Instructions	AAI	AAIs provide a mechanism for accountable authorities to apply key principles and requirements of the resource management framework, to the operations of their respective entities, and to promote the efficient, effective, economical and the ethical use of the Commonwealth resources.
Australian Border Force	ABF	N/A
Department of Immigration and Border Protection	DIBP	N/A
EasySAP		A web based interface in the Department's financial management information system - Systems, Applications, Products in Data Processing (SAP).
Financial Management Guidelines	FMG	FMGs provide guidance for the operational context when using and managing Commonwealth resources under the PGPA framework and AAIs.
Procedural Instruction	PI	Describes how to implement a Policy Statement by outlining actions in relation to a particular activity.
Policy and Procedure Control Framework	PPCF	An internal framework outlining governance for all departmental policies and procedures, providing direction to all officers on the development and management of policy and procedure documents.
Public Governance, Performance and Accountability Act	PGPA Act	<i>The Public Governance, Performance and Accountability Act 2013 requires that Commonwealth entities meet high standards of governance, performance and accountability, provides meaningful information to the Parliament and the public, and use and manage public resources properly.</i>
Public Governance, Performance and Accountability Rule	PGPA Rule	<i>The Public Governance, Performance and Accountability Rule 2014 has been enacted to further instruct Commonwealth entities in accordance with the PGPA Act.</i>
TRIM	TRIM	The Department's approved recordkeeping system.

5. Credit cards

5.1.1. Credit card is the generic term used to describe the cards or vouchers used to enter into third party borrowing arrangements with suppliers of goods and services. Within the Department of Immigration and Border Protection (the Department) credit cards include:

- Diners Club virtual credit card used to pay for domestic airfares, ex-Australia international airfares, accommodation and car hire in accordance with the Whole of Australian Government travel arrangements.

- A companion Diners MasterCard (issued by Citibank) card in hand which can be used to pay for other goods or services.

5.1.2. Within the FMGs the Diners Club virtual credit card and the companion Diners MasterCard card in hand are referred to as the Commonwealth Credit Card (CCC).

6. Establishing credit card facilities

6.1.1. When entering into a borrowing arrangement for the issue of and use of credit cards officials must ensure:

- that they have the delegated power under PGPAAs56 to enter into borrowing agreements with credit card or credit voucher providers.
- that they comply with the following parts of the AAs:
 - Part 2 – Spending money
 - Part 3 – Procurement
 - Part 5 – Commonwealth credit cards and credit vouchers
- that the agreement includes:
 - arrangements for the issue of cards, including the time taken to issue new cards and the processes for issuing replacement cards
 - controls on the use of cards, including a credit limit and transaction limit for each card and merchant blocks, where these are required
 - arrangements for the provision of statements and the settlement of outstanding balances (the money borrowed must be repaid within 90 days of the Commonwealth being notified of the amount borrowed)
 - arrangements for help services and complaints
 - arrangements for disputed transactions
 - details of applicable fees, merchant fees and interest rates.

7. Applications for a Commonwealth credit card

7.1.1. Only departmental officials are eligible to apply for a CCC. Generally, the only exception to this requirement relates to board members who are required to travel regularly for the Department. The Assistant Secretary Financial Operations Branch is permitted to approve the issue of a CCC to individuals who are not officials. Before issuing a CCC to an individual who is not an official, arrangements must be put in place for the verification and review of transactions on the CCC.

7.1.2. To apply for a corporate credit card, officials should demonstrate an understanding of their responsibilities by successfully completing the Credit Card eLearning course. A CCC application will be displayed at the end of the course, once a 100% pass mark has been achieved.

7.1.3. Officials applying for a CCC must provide justification for the CCC issue. Common reasons why an official may require a CCC include being required to:

- make regular purchases of goods and services below \$10,000 (not connected to contracts).

- travel on a regular basis.

7.1.4. Any departures from the standard transactional and monthly limits must be justified. The standard transaction limit for the companion Diners MasterCard card in hand is \$10 000 and the standard monthly credit limit is \$50 000 for the CCC. The Diners Club virtual credit card does not have a transaction limit.

7.1.5. Applications for a CCC must be approved by the Cost Centre Manager. Where the applicant is a Cost Centre Manager or an SES officer, the applications must be approved by either their supervisor or their Group Finance Partner. The Assistant Secretary of the Financial Operations Branch can also approve an application in exceptional circumstances where there is not a suitable approver available.

7.1.6. The completed application must be forwarded to the Corporate Credit Card Team, Finance Division. Applications can be hand delivered, sent by internal mail or scanned and sent to the Corporate Credit Card Team Mailbox.

7.1.7. The Corporate Credit Card Team must review the form and check whether all of the required details have been provided. If essential information has not been included the Corporate Credit Card Team must advise the applicant to either:

- include the required details and have the form re-signed by the approver, or
- request that the approver send an email confirming the missing details to the Corporate Credit Card Team mailbox. This email must be attached to the application form.

8. Issue of a Commonwealth credit card

8.1.1. CCCs will be handed out to officials based on their location:

- ACT based officials are collected from the Corporate Credit Card Team
- interstate officials are mailed via express post
- overseas based officials are mailed via the diplomatic bag
- Marine Unit officials are distributed by Marine Support Staff.

8.1.2. Cardholders must sign the Department's cardholder agreement which sets out a range of conditions that cardholders must comply with when using their CCC. A cardholder agreement must be completed on the initial issue of the CCC and for all subsequent renewals.

8.1.3. The Corporate Credit Card Team must not issue a CCC prior to obtaining the signed cardholder agreement. For ACT based officials the agreement must be signed before the CCC is issued. For interstate and overseas based officials, the CCC must not be posted until a signed cardholder agreement has been received.

8.1.4. The only exception to this rule relates to Marine Unit Officials. The Corporate Credit Card Team is permitted to issue the CCC to the Marine Support Staff and the Marine Support Staff must ensure that the agreement is signed before issuing the CCC.

9. Cardholder's responsibilities

9.1. Private expenditure

- 9.1.1. CCCs must not be used for wholly private expenditure.
- 9.1.2. Cardholders travelling overseas for official purposes are permitted to use their CCC to pay an expense which includes both official and 'coincidental' private expenditure only when the bill cannot be split.
- 9.1.3. The use of the CCC as a security deposit for accommodation when travelling domestically for official purposes is permitted where the bill can be split to allow for the private component to be paid using their personal funds. If the bill cannot or will not be split (for example early or express checkout) then a private card must be used as a security deposit where the official believes that they may incur private expenditure.
- 9.1.4. In the event that a cardholder has not been able to split the bill they must identify the private expenditure on the CCC when verifying the transaction. Their reviewer must review and submit the statement for posting. Once the statement is posted a debt will be automatically raised in SAP. A system generated email is sent to the cardholder including details of the available payment methods.
- 9.1.5. The debt owed by the cardholder to the Department must be repaid to the Collector of Public Moneys (CPM) within seven days from the date of invoice. For further information refer to FMG 1.09.02 Managing Staff Debt.
- 9.1.6. If an official uses a CCC for private purposes without authorisation they must provide a written report to their supervisor within 48 hours of identifying such use, detailing the circumstances in which the card was used for non-official purposes. They must also report the non-compliance with the Commonwealth's Financial Framework in accordance with the requirements contained in FMG 1.12.01 Financial Compliance Reporting.
- 9.1.7. Persistent non-compliance by a cardholder may result in the cancellation or suspension of their card.
- 9.1.8. In addition, commensurate with the scale and scope of the non-compliance, the issue may be referred to Integrity and Professional Standards for investigation and if deemed appropriate formal disciplinary action may be undertaken.

9.2. Financial delegations

- 9.2.1. Officials who are holders of a CCC have a financial delegation to approve a commitment of relevant money (PGPAs23(3) delegation) and enter into an arrangement (PGPAs23(1) delegation) using the CCC for:
 - goods and services – up to the card transactional and monthly limits
 - travel – up to the card monthly credit limit. Prior to booking, travel approval must be obtained from an appropriate delegate. For further information refer to FMG 1.02.03 Official Travel and the [Financial Delegation Schedules](#).
- 9.2.2. Cardholders must not split transactions to circumvent their card limits or the requirements contained in the Commonwealth Procurement Rules.
- 9.2.3. Separate PGPAs23(3) and PGPAs23(1) delegations apply to expenditure on IT hardware, software or cloud services, travel, official hospitality and gifting. If a cardholder is required to use

their CCC to pay for these types of expenditure, they must ensure that approval has been given by the relevant delegate before making the purchase.

9.2.4. All cardholders must comply with the FMGs on spending money.

9.3. Recording approval

9.3.1. In accordance with section 18 of the PGPA Rule, the terms of the approval must be recorded.

9.3.2. For credit card transactions the terms of the approval are recorded when the cardholder either:

- enters a PIN, obtains a receipt for the transaction and returns the receipt to the office to be reconciled against the CCC statement, or
- obtains prior approval for a purchase when the purpose of the expenditure is outside the cardholder's financial delegation. Examples may include expenditure on IT hardware, software or cloud services, official hospitality, travel and the purchase of relevant property for the purpose of gifting.

9.4. Cash withdrawals

9.4.1. The CCC must not be used to withdraw cash. Exceptions to this rule may be authorised by the Director responsible for credit cards or the Assistant Secretary Financial Operations Branch subject to acceptance of a valid business case. Cash withdrawals must not proceed until the business case is approved.

9.4.2. In considering the case for approval, the Director responsible for credit cards or the Assistant Secretary Financial Operations Branch should ensure that the arrangement is subject to:

- documentation of the approval and the reasons for acceptance of the business case
- the establishment of processes and procedures by the applicants which provide assurance that the cash withdrawals are properly acquitted
- cash withdrawals being limited to cover required expenditure
- the cardholder agreeing to notify the Corporate Credit Card Team as soon as they cease to have responsibility for payments made under the agreed arrangement.

9.4.3. On cessation of the agreed arrangement, the Corporate Credit Card Team must immediately request that the bank impose a block on cash withdrawals on the card.

9.4.4. The Corporate Credit Card Team must undertake regular (at least annual) reviews to ensure that only officials responsible for an agreed arrangement hold an approval to make cash withdrawals.

9.4.5. An example of a valid business case would be that of:

- officials with responsibility for paying allowances under the Returns and Removals Program hold an approval to withdraw cash for this purpose only.

9.5. Procurement

9.5.1. The CCC is the preferred method of payment for low value (less than \$10,000) transactions. These low value goods and services may be acquired directly from an appropriate source after an assessment of value for money is undertaken. For further information on procurement refer to the [Procurement Manual Chapter 8 - Procurement less than \\$10,000](#).

9.5.2. As CCC are simply a payment method all normal procurement legislative and regulatory requirements apply to purchases made by CCC.

9.5.3. Cardholders must not use their card in hand to pay for airfares, accommodation or car hire associated with domestic travel which must be booked and paid for in accordance with a mandatory Whole of Australian Government (WoAG) procurement arrangement. The only exception is for travel to locations or in situations where the WoAG suppliers are not available.

9.5.4. Cardholders must not use their card in hand to pay for international airfares for Australian based officials. These airfares must be booked and paid for through the contracted travel provider.

9.5.5. A WoAG panel arrangement applies to certain stationery items. Stationery orders must be placed through your Executive Assistant in National Office or nominated stationery orderer in State and Territory offices and remote locations. Further details are available on the Stationery and Office Supplies intranet page.

9.5.6. Officials must be aware of all other mandatory WoAG arrangements, which cover a range of goods and services. Details of all mandatory WoAG arrangement are available at [WoAG procurement](#).

9.5.7. Purchases over \$10,000 (GST inclusive) using the card in hand must be gazetted within 42 days of entering into the arrangement.

9.5.8. Additional guidance on procurement is available on the Procurement intranet pages.

9.6. Verifying monthly statements

9.6.1. Within five working days of being notified, the cardholder (verifier) must:

- accurately identify whether the expenditure was for official or private purposes
- verify that the documentation (e.g. sales dockets, tax invoices, receipts, renewal notices, approvals etc.) matches the transactions listed in the CCC statement
- correctly claim any GST included in the transaction by selecting the correct tax code
- ensure accurate cost centre/s, general ledger code/s and descriptions of the transactions are recorded in SAP.

9.6.2. When verifying the monthly statement, the cardholder should attach:

- electronic references in the verification comments field against transactions (for officials who have access to maintain records electronically), or
- the file number of the official paper based file in the verification comments field against transactions (for officials who do not have access to maintain records electronically).

9.6.3. The cardholder must submit the statement to their supervisor for review.

9.6.4. The exception to the five working days verification requirement is for purchases made by maritime crew immediately preceding the commencement of a patrol. In this situation the expenditure must be verified within seven days of completing the patrol.

9.6.5. It is recognised that some cardholders are based in geographic locations (in Australia or overseas) with communication infrastructure that can impede their ability to comply with verification timeframes. These difficulties must be taken into account by the Director responsible for credit cards when reviewing non-compliance with timeframes.

9.7. Leave and verification of monthly statements

- 9.7.1. If the cardholder is going on leave for more than one month, the cardholder must hand over to their alternate verifier, all supporting documentation for any unverified expenditure against their CCC to allow their next statement/s to be verified in their absence.
- 9.7.2. The cardholder must arrange for an alternate verifier to access their statements. This can be done by utilising the [self-service function in easySAP](#), or contacting the Corporate Credit Card Team.
- 9.7.3. The cardholder remains accountable for the transactions. On their return to work they must confirm that their alternate verifier has verified the statement in SAP.
- 9.7.4. The alternate verifier must:
 - accurately identify whether the expenditure was for official or private purposes
 - verify the documentation (e.g. sales dockets, tax invoices, receipts, renewal notices, approvals etc.) matches the transactions listed in the CCC statement
 - ensure accurate cost centre/s, general ledger code/s and descriptions of the transactions are recorded in SAP
 - when verifying the monthly statement, the alternate verifier should attach:
 - electronic references in the verification comments field against transactions (for officials who have access to maintain records electronically), or
 - file number of the official paper based file in the verification comments field against transactions (for officials who do not have access to maintain records electronically).
- 9.7.5. The alternate verifier must submit the statement to their supervisor for review.

9.8. Disputed transactions

- 9.8.1. If the cardholder becomes aware of a discrepancy in their statement, the cardholder must immediately clarify or rectify the issue by contacting the merchant or retailer. Note that taxi charges cannot be resolved with the merchant.
- 9.8.2. The cardholder must verify their statement despite the presence of a disputed transaction. Details of the dispute must be entered in the reason for dispute field and the statement must be forwarded to the reviewer. Following their review, the reviewer must submit the cardholders' statement for posting.
- 9.8.3. The cardholder must maintain records (in accordance with the Department's record keeping requirements) of disputed transactions and ensure that a credit is received in a future statement. The same cost centre and general ledger code must be used when posting the debit and credit.
- 9.8.4. Before disputing a transaction on their statement cardholders must check their records to ensure that the charge is invalid. Common causes of incorrect disputes include:
 - differences between business and trading names
 - delays in transactions being processed resulting in differences in the dates when transactions appear on the monthly statements (manual processing of taxi receipts may result in significant delays between the time the expense was incurred and when it appears on a statement).
- 9.8.5. If the issue cannot be resolved with the merchant, the cardholder must contact the Corporate Credit Card Team on telephone 02 6264 4759 and request a Commonwealth Credit Card dispute request form. The dispute form must be completed and returned to the Corporate Credit Card

Team Mailbox within 45 days of the transaction to allow the dispute to be lodged with the bank within the permitted time frame.

- 9.8.6. The Corporate Credit Card Team must assess the dispute, obtain any additional information required and lodge any required disputes with the bank within 70 days of the transaction.
- 9.8.7. Once resolved, the cardholder will receive written advice of the outcome of the dispute.
- 9.8.8. A fee may be imposed by the credit provider where charges are proven to be valid. The amount of the fee must be debited to the work area's cost centre. The provider's advice must be attached to the relevant statement, as supporting documentation for the provider's fee.

9.9. Record keeping

- 9.9.1. Cardholders must retain a copy of all documentation relating to the use of their CCC (E.g. sales dockets, tax invoices, receipts, renewal notices, approvals etc.), and reconcile these records against the amounts shown on the monthly statements.
- 9.9.2. Invoices and receipts must be retained by the cardholder and filed (either electronically or in a physical file created in accordance with the Department's record keeping policies).
- 9.9.3. Where the documentation has been lost, destroyed, or otherwise could not be obtained, a duly completed and signed statutory declaration to support the expenditure must be provided to the cost centre manager to endorse for transactions greater than or equal to \$82.50 GST inclusive. Endorsements must be kept to a minimum. For transactions less than \$82.50 GST inclusive, an email to the cost centre manager outlining the business purpose of the transaction and other details of the transaction is sufficient.
- 9.9.4. Cardholders must ensure that the F1951 Official Hospitality Approval Form is completed for all expenditure on official hospitality before incurring the expenditure. Further guidance on official hospitality is available in FMG 1.02.02 Official hospitality and business catering.
- 9.9.5. Cardholders must ensure that the F1962 Purchase of item for gifting minute is completed for all expenditure on gifts before incurring the expenditure.
- 9.9.6. The cardholder must retain supporting documentation, such as an adjustment note, for goods or items which are subsequently returned to the supplier.

9.10. Loss or theft of a CCC

- 9.10.1. Cardholders are responsible for the security of their card, card number and PIN number. Cardholders must notify Diners MasterCard immediately on 1300 360 060 (within Australia) or (+613) 8643 2210 (overseas) if their CCC is lost or stolen. Cardholders must also contact the Corporate Credit Card Team as soon as practicable to report the action they have taken.
- 9.10.2. Cardholders must notify their supervisor in writing of the circumstances of the loss and complete an Incident Report form together with a statutory declaration in relation to the circumstances of the loss.
- 9.10.3. If theft or other suspicious circumstances are suspected by an official in relation to the loss of a CCC the matter must also be reported to the police and Integrity and Professional Standards Branch.

9.11. Internal Transfers

- 9.11.1. Cardholders must seek approval from their new cost centre manager to retain their CCC if they are transferred to another area in the Department. The approval of the Group Finance Partner can be substituted for the cost centre manager's or SES officer approval when the transferring official is a cost centre manager or an SES officer. A written record of this approval (email is acceptable) must be retained in the cardholder's file in accordance with the Department's record keeping requirements.
- 9.11.2. Where the new cost centre manager does not approve the continued use of the CCC the card must be cancelled. The cardholder must return the CCC within 3 working days of the cancellation.

9.12. External transfers, retirement, resignation and long term leave

- 9.12.1. Cardholders must return their card to the Corporate Credit Card Team for cancellation on:
 - retirement
 - resignation
 - transfer to another Commonwealth entity
 - commencement of long term leave (three months or more).
- 9.12.2. When returning the CCC for cancellation, the cardholder must:
 - e-mail the Corporate Credit Card Team to cancel their card immediately
 - cut their CCC in half, tape the two halves of the card to a hard copy of the email advising the cancellation and then send the CCC to the Corporate Credit Card Team.
- 9.12.3. Cardholders must verify all outstanding statements. Where a statement has not yet been received for expenditure on their CCC they must hand over to their alternate verifier, all supporting documentation for any unverified expenditure against their CCC to allow their next statement/s to be verified following their departure.

9.13. Paying invoices by CCC

- 9.13.1. If the cardholder is requested to pay an invoice on behalf of another official, the requesting official must be able to substantiate that approval was obtained from the relevant delegate before the expenditure was incurred. A Minor Procurement Spending form should be used for this purpose.

9.14. Other Conditions of Use

- 9.14.1. Cardholders must comply with all of the conditions applying to the card usage as set out in the cardholder agreement.
- 9.14.2. Payments to Australian based suppliers for amounts over \$82.50 (GST inclusive) must only be made to suppliers with an Australian Business Number.
- 9.14.3. Cardholders must not claim any GST when verifying a transaction unless they hold a valid tax invoice for the purchases. For information on what constitutes a valid tax invoice see FMG 1.06.04 Goods and Services Tax (including no ABN withholding).
- 9.14.4. Cardholders are permitted to use their CCC on internet sites but must not use auction or bidding websites.

9.14.5. When using the CCC on the internet, cardholders must ensure:

- the website is secured, that is, a 'padlock symbol' is demonstrated on the site.
- copies of all relevant documents are retained in a file in accordance with the Department's record keeping requirements.

9.14.6. Cardholders must not:

- enter competitions or lottery-style promotions when using the CCC.
- accrue frequent flyer or loyalty points through the Department's expenditure. This includes using personal loyalty card/s (e.g. Fly Buys, Everyday Rewards) when making payments on their CCC.

9.14.7. CCC are issued with PINs. In the event that a PIN has not been received the cardholder must contact the Corporate Credit Card Team. Under no circumstances must a cardholder disclose the PIN to another party.

9.14.8. Cardholders are personally responsible for the security and protection of their CCC.

9.14.9. Cardholders must not give their CCC to another person to use.

9.14.10. Cardholders must store the CCC separately from their own personal credit cards to ensure that the CCC is not used by accident.

9.14.11. Cardholders must complete the eLearning course for each card renewal or every three years (whichever comes first).

9.14.12. The purchasing CCC must not be used to pay for:

- grants
- consultancy services
- partial deliveries against contracts or purchase orders
- assets
- administered items
- goods or services where the supplier is required to but does not have an Australian Business Number (ABN). In this situation the direct invoice method must be used and 'No ABN Withholding Tax' applied.
- software online
- meals or incidental items for which travel allowance has been paid
- fuel for leased vehicles as special fuel cards are provided for this purpose. For further information refer to the Fuel Card Procedural Instructions.

10. Reviewer's responsibilities

10.1.1. The reviewer must examine the cardholder's statement no later than five working days after the statement has been workflowed.

10.1.2. The reviewer must examine the cardholder's CCC statement to ensure:

- transactions have not been split to circumvent credit limits.

- all transactions are for business purposes unless it includes permitted coincidental private expenditure.
- any private expenditure has been appropriately identified to facilitate the automatic issue of an invoice by SAP.
- supporting documentation has been provided via provision of electronic links or hard copies. For information on what is required when supporting documentation is not available refer to Record keeping. To expedite the processing of statements, the Director responsible for credit cards has a discretion to authorise the review of a statement without supporting documentation.
- loyalty points have not been accrued for personal schemes.
- the accuracy and completeness of the statement's verification.
- Where errors are identified the reviewer must return the statement to the cardholder for correction.

- 10.1.3. Where the cardholder disagrees with reviewer's findings, the reviewer must obtain further details from the cardholder in order to satisfy herself/himself that the purchase was for official purposes. If, after obtaining further information, the reviewer is still of the opinion that a particular purchase was not for official purposes they have the option of raising their concerns with the cardholder, the cardholder's supervisor, their own supervisor, the Director responsible for credit cards, or Integrity and Professional Standards.
- 10.1.4. Where a query relating to a CCC transaction is escalated to a First Assistant Secretary or Assistant Secretary, the First Assistant Secretary or Assistant Secretary must make sufficient further enquiries with the cardholder to determine whether the expenditure is a proper use of relevant money. If the First Assistant Secretary or Assistant Secretary deems that the expenditure is a proper use of relevant money, the reviewer must approve the statement in SAP.
- 10.1.5. If the First Assistant Secretary or Assistant Secretary determines, after making further enquiries, that the expenditure is not a proper use of relevant money they must take appropriate action. Appropriate actions include, but are not limited to:
 - ordering the cardholder to repay the amount to the Commonwealth and/or
 - cancelling the cardholder's CCC and/or
 - referring the matter to Integrity and Professional Standards for investigation.
- 10.1.6. Once the reviewer is satisfied the verification of the CCC statement is correct they must approve the statement in SAP. The cardholder receives an email notification once the statement has been reviewed and submitted for posting. It should be noted that the reviewer of the statement is not always the Cost Centre Manager.
- 10.1.7. The reviewer must approve the statement where the cardholder has disputed transactions. The reviewer must request sufficient evidence to ensure that the cardholder is disputing the transaction in line with the requirements set out in the section on disputed transactions.

11. Cost centre manager's responsibilities

- 11.1.1. The cost centre manager is responsible for:
 - approving the CCC application.

- ensuring that the Corporate Credit Card Team is notified if they determine that a cardholder transferring into their work area is not permitted to retain their card.
- monitoring the use of taxi services charged to their cost centre to ensure the appropriate use.
- monitoring their budget and ensuring that only those CCC transactions for which they are responsible are attributed to their cost centre, particularly where they are not the reviewer of those transactions.

12. Corporate Credit Card Team's responsibilities

12.1. Register of CCC issued

12.1.1. The Corporate Credit Card Team must maintain a register of CCC issued which includes details of:

- name on the CCC
- expiry date
- transaction limit
- monthly limit
- whether the card has cash withdrawal facilities and the associated dollar limits.

12.2. Applications

12.2.1. The Corporate Credit Card Team must verify the identity of the applicant.

12.2.2. The Corporate Credit Card Team must review the application form to check that all of the required details have been provided. If essential information has not been included the Corporate Credit Card Team must advise the applicant to either:

- include the required details and have the form re-signed by the approver, or
- request that the approver send an email confirming the missing details to the Corporate Credit Card Team mailbox. This email must be attached to the application form.

12.2.3. The Corporate Credit Card Team must review the register and ensure that the applicant does not have a current CCC. In addition they must check that the current application does not duplicate an application received previously.

12.2.4. The Corporate Credit Card Team must also review the register and ensure that the applicant has not previously held a CCC which was cancelled due to non-compliance with Part 5 of the AAs, the FMGs or the Cardholder agreement. Following the cancellation of a card for non-compliance any request to reinstate or reissue a CCC will require the approval of the Assistant Secretary Financial Operations Branch or the Director responsible for credit cards.

12.2.5. Once the application has been reviewed and it has been determined that a new CCC should be issued the Corporate Credit Card Team must lodge the application with the provider.

12.2.6. On receipt of the CCC from the provider the Corporate Credit Card Team must:

- ensure that the cardholder agreement is signed by the cardholder before issuing the CCC;
- update the register of CCC to reflect when the card was received and issued to the cardholder.

12.3. Administration

12.3.1. The Corporate Credit Card Team is responsible for:

- assigning, increasing or decreasing transaction and monthly credit limits
- ensuring that any exceptions to the standard transaction limits have been approved by the Cost Centre Manager, and the Director responsible for credit cards or the Credit Card Manager
- imposing and removing blocks on cash withdrawals
- monitoring the need for cardholders to have access to cash withdrawal facilities
- appointing and removing alternate verifiers.

12.4. Returning cards

12.4.1. The Corporate Credit Card Team is responsible for:

- sending requests to the provider to cancel or suspend a CCC
- destroying cancelled CCCs (preferably by shredder)
- keeping a record of all CCCs returned, cancelled or suspended.

12.5. Compliance

12.5.1. The Corporate Credit Card Team must maintain a register which details non-compliance with the requirements in the AAIs and the FMGs.

13. Director responsible for credit cards responsibilities

13.1.1. The Director responsible for credit cards is responsible for:

- managing the ongoing relationship with the CCC providers in relation to the CCC program. This includes ensuring that the key requirements contained in the contract are met.
- developing and raising awareness of policies, procedures and forms in relation to the use of CCC.
- assisting with the development of guidance, training and support to officials in relation to the use of the CCC.
- monitoring usage patterns and suspected misuse of CCC and escalating issues of concern to the Assistant Secretary Financial Operations Branch and/or Integrity and Professional Standards.
- ensuring that accurate records of the cards on issue are maintained.
- ensuring that ongoing checks are undertaken to determine whether cardholders have an ongoing need to hold a CCC.

- establishing processes to monitor compliance with the requirements set out in the AAIs, the cardholder agreement and the FMGs.
- authorising the provision of cash withdrawal access to cardholders.
- liaising with the Financial Framework Team regarding reported instances of non-compliance with the PGPA Act.
- following up where instances of non-compliance are detected, including cancelling CCC where persistent non-compliance is detected.

14. Assistant Secretary Financial Operations Branch responsibilities

14.1.1. The Assistant Secretary Financial Operations Branch is responsible for:

- the management of the Department's borrowing agreements.
- where possible, ensuring loyalty programs are excluded from an agreement.
- holding a copy of the terms and conditions for the borrowing agreements to ensure they reflect the service provided.
- ensuring controls are in place for the continual management of credit cards and credit vouchers facilities.

15. Issuing and using Group Cards

15.1. Background

15.1.1. The issue of group virtual Diners Club cards is permitted to facilitate travel by officials and contractors who do not have a CCC.

15.2. Responsibilities of Group Card Holders

15.2.1. Group Cards are issued to an individual who must ensure that the card is appropriately managed and secured. The holder of a Group Card is subject to the same responsibilities as individual cardholders. There are generally no transaction or monthly limits applied to group virtual Diners Club cards.

15.2.2. When the holder of a Group Card goes on leave they must provide details of the official assuming responsibility for the verification of the Group Card in their absence to the Corporate Credit Card Team.

15.2.3. When the holder of a Group Card leaves the Department or is transferred to a new role they must cancel the Group Card.

15.2.4. Persistent non-compliance by a Group Card holder may result in the cancellation or suspension of the card. For additional information refer to [non-compliance by CCC cardholders](#).

15.2.5. In addition, commensurate with the scale and scope of the non-compliance, the issue may be referred to Integrity and Professional Standards for investigation.

16. Non-compliance by CCC cardholders

16.1. PGPA legislation

16.1.1. All instances of non-compliance with PGPA legislation must be reported in the Compliance Report. For further information on the Compliance Report process refer to FMG 1.12.01 - Financial Compliance Reporting.

16.1.2. Examples of non-compliance reportable in the Compliance Report include:

- using the card for private expenditure (even if CCC is used by accident).
- failure to comply with the Commonwealth Procurement Rules
- the fraudulent use of a CCC.

16.2. Other

16.2.1. The Corporate Credit Card Team must conduct a quality assurance process aimed at identifying instances of non-compliance with the requirements contained in the FMGs.

16.2.2. This process will be undertaken on an ongoing basis and should include:

- monthly testing of cash withdrawals
- targeted testing of transactions
- review of amounts outstanding relating to the use of CCC for private purposes
- exception reporting on unverified and unreviewed transactions.

16.2.3. Finance Division must maintain a register detailing any non-compliance with the AAIs, the FMGs and the provisions contained in the cardholder agreement. If ongoing non-compliance by the same cardholder is identified a formal escalation process will be followed.

16.2.4. Internal Audit also plays an essential role in the quality assurance process. Internal Audit will be conducting regular audit activity in relation to compliance with the AAI, the FMGs and the provisions contained in the cardholder agreement. Any confirmed non-compliance identified by Internal Audit must be included in the register maintained by Finance Division.

16.3. Consequences of non-compliance – cardholders

16.3.1. The AAIs (Part 5) set out the responsibilities of the Director responsible for credit cards where serious or persistent non-compliance by a cardholder is identified. It also provides details of the remedial actions that must be considered.

16.3.2. The Director responsible for credit cards must request and review a business case as to why the cardholder should be permitted to retain their CCC and take appropriate action where:

- a cardholder does not acquit their statement for two consecutive cycles
- a CCC is used for private purposes without authorisation two times

- a cardholder splits a transaction to circumvent their card limits two times
- a debt related to the use of the credit card for private purposes is not repaid within seven days of receipt of an invoice.

16.3.3. In addition to these situations the Director responsible for credit cards must consider requesting a business case as to why a cardholder should be permitted to retain their CCC where other types of persistent non-compliance are identified. Persistent non-compliance could involve repeated non-compliance with a single requirement set out in the cardholder's responsibilities as demonstrated by the examples above, or a pattern of non-compliance with a range of the cardholder's responsibilities.

16.4. Consequences of non-compliance by reviewers

- 16.4.1. Where it is identified that the reviewer has not ensured that private expenditure by a cardholder has been appropriately identified when verifying the statement, an instance of non-compliance by the reviewer must be recorded in the register of non-compliance.
- 16.4.2. Where persistent non-compliance with these requirements is identified the Director responsible for credit cards must consider:
 - requiring the reviewer to undertake mandatory credit card training
 - suspending the reviewer's CCC until required corrective actions are taken.
- 16.4.3. Where the Integrity and Professional Standards Branch has made an assessment of misuse by the cardholder, the instances of non-compliance may be subject to inclusion in the Financial Compliance Report.

17. What happens if this Procedural Instruction is not followed?

- 17.1.1. Procedural Instructions issued under the Policy and Procedure Control Framework are lawful and reasonable directions under section 13(5) of the *Public Service Act 1999*. For departmental employees and Australian Public Service employees seconded to the Department, failure to comply with this Procedural Instruction may be referred as a breach of the Code of Conduct and may result in disciplinary action being taken.
- 17.1.2. For other secondees, contractors and consultants, failure to comply may constitute a breach of the working agreement, contract and/or a direction under the *Australian Border Force Act 2015*.

18. Related Framework documents

- [Accountable Authority Instructions](#) (in particular Parts 2, 3 and 5)
- [FMG 1.02.03 Official travel](#)
- [FMG 1.02.02 Official hospitality](#)
- [FMG 1.06.01 Making payments of relevant money](#)

19. References and legislation

- [Public Governance, Performance and Accountability Act 2013](#)

20. Consultation

20.1. Internal consultation

20.1.1. The following internal stakeholders were consulted in the development of this FMG:

- Management Accounting Branch
- Procurement and Contracts Branch
- Financial Operations Branch
- Risk and Assurance Branch
- Integrity and Professional Standards Branch
- Legal Division
- Freedom of Information, Privacy and Records Management Branch

21. Document details

BCS Category/Function	<i>Financial Management</i>
BCS Sub-Category/Sub-Function	<i>Compliance Management</i>
Published Location	<i>Policy and Procedure Control Register</i>
Period of Effect	Please leave blank – issued by PPCF Team
Policy Owner	Sam Hatherly Assistant Secretary Financial Operations Branch

21.1. Document change control

Version number	Date of issue	Author(s)	Brief description of change
1.0	01/07/15	Financial Framework Section	New document
2.0	28/09/2015	Financial Framework Section	Addition of two paragraphs. Rewording of text paragraphs regarding cash withdrawals.
3.0	05/02/2016	Financial Framework Section	Removal of Cabcharge eTickets on publication of FMG 1.10.09 Cabcharge eTickets.
4.0	29/03/2017	Financial Framework Section	New template. Updated Director Taxation and Credit Cards to Director responsible for credit cards. Amended statutory declaration requirement to apply only for transactions



Version number	Date of issue	Author(s)	Brief description of change
			\$82.50 and above.

21.2. Endorsement

In accordance with the AAIs, the Chief Finance Officer (CFO) can issue Financial Management Guidelines (FMGs) in support of the instructions outlined in the AAIs. Where the content of the FMG is outside the responsibility of the CFO, the relevant First Assistant Secretary can issue the FMG with the endorsement of the CFO.

Endorsed by:	Steven Groves Chief Finance Officer
Endorsed on (date):	28/09/2015

21.3. Approval

Approved by:	Sam Hatherly Assistant Secretary Financial Operations Branch
Approved on (date):	29/03/2017