

QUESTION TAKEN ON NOTICE

SUPPLEMENTARY BUDGET ESTIMATES HEARING : 17 October 2016

IMMIGRATION AND BORDER PROTECTION PORTFOLIO

(SE16/088) - Credit cards - Internal Product (DIBP)

Senator Gallacher, Alex (L&CA) written:

1. What types of credit and transaction cards (including Cabcharge Fastcard and eTickets) does your department issue?
2. What was the total expenditure for each type of card over the last 3 financial years?
3. Can you break down the expenditure into categories?
4. What is the highest and lowest credit limit for each type of card?
5. How many times in the last 5 years has the credit limit been reviewed?
6. What are Credit Cards used for?
7. What are the Governance/probity rules for employees to follow?
8. Are cash advances allowed?
 - a) Can you list the total amount of cash advances from credit and other transaction cards over the last 3 years?
 - b) Can you provide details on the 10 largest cash advances in your department and provide particulars such as how much was accessed?
 - c) Who approves cash advances in your department in the event of paying suppliers
9. Who reviews transactions in regards to all cards?
10. Who provides assurance to the Minister in respect to probity governance and fraud control?

Answer:

1. The types of credit and transaction cards on issue by the department are outlined below:

- Commonwealth Credit Cards (CCCs) to pay for business travel and the minor procurement of goods and services;
- Cabcharge eTickets and Cabcharge Fastcards to pay for taxi fares relating to business travel; and
- Fuel cards to pay for fuel in departmental fleet vehicles.

2. On 1 July 2015, Australian Customs and Border Protection Service and the Department of Immigration and Border Protection integrated to form a new department.

The total expenditure for each type of card from 1 July 2015 (when the new department was formed) to 30 June 2016 is outlined in the table below:

Card type	Total expenditure (\$)
CCC	87,990,488.79
Cabcharge eTicket/Fastcard	88,827.29
Fuel card	272,407.65

To provide the total expenditure for each type of card prior to 1 July 2015 would involve an unreasonable diversion of resources.

3. The breakdown of expenditure by category from 1 July 2015 to 30 June 2016 is outlined in the table below:

Expenditure category	Total card expenditure (\$)
Travel	66,281,303.81
Other goods and services	22,070,419.92

To provide the total expenditure by category prior to 1 July 2015 would involve an unreasonable diversion of resources.

4. The credit limits for each type of card is outlined in the table below:

Card type	Credit limits
CCC	The default transaction and monthly limit is \$10,000 and \$50,000 respectively. The highest transaction limit is \$30,000.
Cabcharge eTicket/Fastcard	No limit.
Fuel card	No limit.

5. The CCC default transaction and monthly limits of \$10,000 and \$50,000 respectively have been in place since 1 July 2015. Transaction limits for individual cardholders which are above the default transaction limit of \$10,000 are approved only on submission of a valid business case.

6. Please see answer to question 1 above.

7. There are a number of responsibilities placed on employees with respect to the use of credit and transaction cards. The responsibilities are based on a hierarchy linking the *Public Governance, Performance and Accountability Act 2013* to the department's Accountable Authority Instructions and the Financial Management Guidelines/Procedural Instructions.

The responsibilities with respect to the use of CCCs include but are not limited to:

- An employee applying for a CCC is requested to undertake an eLearning course on departmental policies and procedures in the management of CCCs and attain a perfect score;

- Every three years, CCC holders are requested to revalidate their knowledge through the eLearning course and achieve a perfect score;
- A comprehensive agreement must be signed prior to receiving a CCC stating that all departmental CCC policies and procedures will be complied with and acknowledging that failure to comply with the requirements may result in suspension, cancellation or other disciplinary action;
- The CCC must be kept in a secure place at all times;
- Purchases can only be made where the CCC holder has delegated authority to approve the expenditure or has obtained approval from an official who has the relevant delegated authority;
- Monthly statements must be verified within five working days unless an exception applies; and
- CCC holders must maintain a file to record all purchases and retain all tax invoices/receipts and other supporting documentation for audit purposes.

8. Yes. Approximately 1.5 per cent of CCCs issued to departmental employees have approved cash withdrawal access on the basis that the cardholder has a demonstrated business need to access cash withdrawal facilities. The great majority of CCCs with cash withdrawal access approval are issued to employees with responsibility for paying allowances under the Returns and Removals Programme.

- a) The total amount of cash advances on CCCs from 1 July 2015 to 30 June 2016 is \$258,975.02. To provide the total amount of cash advances prior to 1 July 2015 would involve an unreasonable diversion of resources.
- b) The 10 largest cash advances from 1 July 2015 to 30 June 2016 are outlined in the table below:

Date	Cash advance amount (\$)
17 June 2016	1596.01
20 May 2016	1631.86
12 May 2016	1892.68
4 May 2016	2514.98
8 April 2016	3368.27
10 December 2015	1400.00
27 August 2015	3458.89
27 August 2015	1208.56
27 July 2015	3706.68
14 July 2015	1000.00

- c) Any payment to suppliers must be approved by a person who holds an expenditure delegation under section 23 of the *Public Governance, Performance and Accountability Act 2013*.

9. The responsibility for reviewing transactions for each type of card is outlined in the table below:

Card type	Review of transactions
CCC	After a CCC statement has been verified by a cardholder, it is submitted to a reviewer who is usually the cardholder's supervisor. There are regular reviews of CCC expenditure by Internal Audit and the Finance Division for the purposes of identifying non-compliance with departmental finance rules.
Cabcharge eTicket/Fastcard	A 'Custodian' or 'Vouching Officer' (who is an employee that has responsibility for holding, issuing and managing Cabcharge eTickets/Fastcards) reconciles expenditure with billing on a monthly basis.
Fuel card	The appointed departmental National Fleet Manager performs bi-monthly reviews of fuel card transaction reports provided by fuel suppliers. Checks are performed to reconcile the transaction time, cost, volume and odometer readings of vehicle fuel transactions settled at point of sale. The designated fleet vehicle contact officers in regional and district offices manage the fleet vehicle administrative functions. They perform checks on the fuel receipts and reconcile to fuel consumption records on the log sheets of a vehicle on a monthly basis.

10. Under the department's Fraud Control and Anti-Corruption Framework, the Audit Committee provides assurance over the operation of this framework. This committee reports directly to the Secretary and the sign-off by the Audit Committee informs the reporting the Secretary provides to the Minister in relation to fraud control. The Secretary is supported by the First Assistant Secretary Integrity, Security and Assurance in undertaking these duties, in his capacity as the Chief Audit Executive and owner of the Fraud and Anti-Corruption Framework.

Arrangements for managing probity and providing assurance over it are currently under review. They are managed by the Chief Finance Officer due to their oversight of the contract and procurement frameworks.