

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2011-2012**

Cross Portfolio

DEEWR Question No. EW0801_12

Senator Mason asked on 20 October 2011 , Hansard page 12

Question

Corporate credit cards

Senator MASON: Have there been any cases in DEEWR let us say during the last two financial years of corporate credit cards being misused by officers of the department? Mr Storen: Yes, there have been a very small number of instances of that occurring. We have quite robust acquittal processes where they are picked up quite quickly, and then we have different processes for any that require what we would call a code of conduct discussion with a staff member or a referral to a full fraud investigation. Senator MASON: I know we have to be careful with names here, but is it possible to let the committee know the levels of seniority of the employees and what the nature of the misuse was, what reimbursement was sought and so forth? Mr Storen: Yes. Mr Kriz: Only subject to this proviso—in relation to current investigations, or if in answering something we would reveal some sort of operational details which might prejudice the investigation, that would be of concern to us. CHAIR: I think the information should only encompass concluded investigations. You might also advise us how many investigations are on foot in that instance, but no details about them until they are concluded. Senator MASON: You might also outline the monitoring processes that DEEWR undertake. Are there any instances of DEEWR employees travelling without approval over the last two financial years?

Answer

The table below details credit card misuse for 2009-10 and 2010-11 financial years.

	Accidental misuse					Referred for follow up action ¹				
	APS 1-3	APS 4-6	EL 1-2	SES	Total	APS 1-3	APS 4-6	EL 1-2	SES	Total
2009-10	0	30	49	8	87	12	9	0	0	21
2010-11	2	26	30	3	61	0	3	0	0	3

Note the figures above indicate the number transactions deemed as misuse.

¹ Follow up action includes Code of Conduct review and in more serious cases fraud investigation.

The majority of instances of misuse relate to circumstances where the officer has mistaken the corporate credit card for their own. Where card misuse has been repeated or the intention of the card holder appears to be of concern these matters have been referred for follow up action. There have been a small number of more serious cases which have led to formal investigations. The department seeks full reimbursement in all instances.

There were four cases of card misuse where the investigation was concluded during the 2009-10 and 2010-11 financial years. One of these cases resulted in prosecution. There are two cases that commenced in this same period but as at November 2011 they are still active investigations.

DEEWR undertakes a number of monitoring processes. The primary control is the acquittal process. Cardholders are required to acquit their card on a monthly basis. The acquittal process involves reviewing the transactions, classifying the expenditure, linking the expenditure to expenditure approval documentation and submitting it to a supervisor for review. Through the acquittal process a cardholder can nominate to make a repayment against a transaction. Any transaction marked for repayment is reviewed to determine whether misuse has occurred. In addition to the acquittal process Internal Audit also conducts regular audits of departmental corporate cards. The card team also periodically reviews vendor and card information.

There are no known instances of DEEWR employees travelling without approval in the 2009-10 and 2010-11 financial years.