

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES 2011-2012

Prime Minister and Cabinet Portfolio

Department/Agency: Office of the Commonwealth Ombudsman

Outcome/Program: Office of the Commonwealth Ombudsman

Topic: Credit Cards

Senator: Senator Ryan

Question reference number: 111

Type of question: Written

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Number of pages: 2

Question:

1. How many staff in each department and agency have a corporate credit card? What is their classification?
2. What action is taken if the corporate credit card is misused?
3. How is corporate credit card use monitored?
4. What happens if misuse of a corporate credit card is discovered?
5. Have any instances of corporate credit card misuse have been discovered? List staff classification and what the misuse was, and the action taken.
6. What action is taken to prevent corporate credit card misuse?

Answer:

1. Forty-two staff have a corporate credit card. The classification of these staff ranges from the ASP3 level to the Commonwealth Ombudsman.
2. The office investigates any suspected misuse of corporate credit cards. Action includes, where appropriate:
 - Seeking an explanation from the officer in the first instance
 - Referring the matter for investigation
 - Seeking civil, administrative or disciplinary penalties
 - Notifying the card holder and cancelling the credit card
 - Recovering the amount.
3. Card use is monitored in a number of ways:
 - All credit card holders are required to reconcile their credit card statement monthly which includes providing invoices or receipts supporting the transaction and having the statement signed by their supervisor
 - All credit card statements are reviewed by a central team to ensure they are reconciled correctly

- The office undertakes an annual review to determine which staff require a corporate credit card, as well as determining the appropriate corresponding transaction and monthly limits
 - The bank advises the office if transactions have been rejected and will put a hold on the card if they suspect unauthorised use.
4. Refer to the response to question three.
5. In the last financial year no misuse of a corporate credit card by staff was discovered.
6. Actions to prevent misuse of corporate cards include:
- The office's Chief Executive's Instructions provide specific guidance to staff on credit card issue and usage;
 - Credit cards are only issued to staff based on an identified need which must be agreed by the Chief Financial Officer prior to issue;
 - All credit card holders are required to sign on obtaining a card and annually thereafter, a form detailing the conditions of use for the credit card;
 - All credit card holders are required to reconcile their credit card statement monthly as well as providing invoices or receipts supporting all transactions and having the statement signed by their supervisor;
 - All credit card statements are reviewed by a central finance team to ensure they are completed and that the amount on the statement and amount paid to the bank agree;
 - The office undertakes an annual review of credit card use;
 - The bank advises the office if transactions have been rejected and will put a hold on the card if they suspect unauthorised use; and
 - Credit cards are cancelled promptly when an officer leaves the office.