

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
ADDITIONAL ESTIMATES 2012-2013

Prime Minister and Cabinet Portfolio

Department/Agency: Office of the Commonwealth Ombudsman
Outcome/Program: 1
Topic: Credit cards

Senator: Ryan
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Question:

- (1) Provide a breakdown for each employment classification that has a corporate credit card.

Please update details of the following:

- (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 six staff members within the Office have a corporate credit card. Eligibility is based on a business need, such as frequent travel.
- (2) The Office will investigate all cases of suspected misuse. Relevant actions may include:
 - referring offenders to appropriate agencies where necessary
 - seeking civil, administrative or disciplinary penalties where appropriate
 - recovering the proceeds of any fraudulent activity
- (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
 - the Finance Section within the Office reviews all credit card statements 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 to ensure a credit card is needed by the official and that the transaction and monthly limits are appropriate
 - the relevant bank advises the office if transactions have been rejected and will put a hold on the card if they suspect unauthorised use.
- (4) Once misuse of a corporate credit card is suspected the Office's Chief Financial Officer (CFO) is notified. Where appropriate, the cardholder is also notified and the credit card is cancelled. If there is suspected fraud, the Office will conduct an investigation, and consider the kinds of actions referred to above at Question 2 in the case of misuse or abuse.
- (5) In the 2012-13 financial year, no instances of misuse of corporate credit cards by staff was identified.
- (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 CFO 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 which includes providing invoices or receipts supporting the transaction and having the statement signed by their supervisor
 - the Finance Section reviews all credit card statements 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 to ensure a credit card is needed by the official and that the transaction and monthly limits are appropriate
 - the bank advises the Office if transactions have been rejected and will put a hold on the card if they suspect unauthorised use
 - credit cards are cancelled promptly when an officer leaves the office
 - cash is not able to be withdrawn from our Office credit cards
 - certain vendors are barred from use by the credit card provider.