

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
ATTORNEY-GENERAL'S DEPARTMENT

Portfolio

Question No. 116

Senator Humphries asked the following question at the hearing on 16 October 2012:

Credit Cards

- 1) Provide a breakdown for each employment classification that has a corporate credit card.
- 2) Please update if there have been any changes since Budget Estimates 2012-13 (May 2012):
 - a) What action is taken if the corporate credit card is misused?
 - b) How is corporate credit card use monitored?
 - c) What happens if misuse of a corporate credit card is discovered?
 - d) Have any instances of corporate credit card misuse have been discovered? List staff classification and what the misuse was, and the action taken.
 - e) What action is taken to prevent corporate credit card misuse?
- 3) For 2011-12 how many instances of corporate credit card misuse were there? List staff classification and what the misuse was, and the action taken.

The answer to the honourable senator's question is as follows:

Attorney-General's Department

- 1) There are 588 cards on issue across the Department. All employees can apply for a credit card from APSL1 to Secretary.
- 2)
 - a) The Department's response to this question defines misuse as obtaining financial gain by deception. Where a corporate credit card is misused, the matter is treated in accordance with the Department's Fraud Control Plan which includes investigation and potential prosecution or other administrative or civil sanctions. In addition, action is taken to recover funds and the fraud is reported as a breach of the Financial Management Act 1997 and to the Australian Institute of Criminology.
 - b) All purchases must be approved by an authorised officer who is not the credit card holder. The Department also conducts regular sample testing of credit card transactions to identify personal use. Credit card transactions are posted daily in the Financial Management Information System and the "merchant code" advises the type of purchase. New merchant codes are investigated.
 - c) Refer to the Department's response to part 2(a) above.
 - d) Yes
 - In 2011 to date: 0

- In 2010-11: 0
- In 2009-10: 1 matter was discovered relating to personal use of a corporate credit card. The staff member was an EL1. The staff member has since resigned and monies are being recovered.

e) The Department has established a number of internal controls to prevent credit card misuse. Each credit card holder is required to sign a corporate credit card agreement acknowledging their obligation to use the card for proper purposes. Further instructions are provided in the Chief Executive Instructions and incorporated into training available to all Departmental officers. All credit cards are issued with a monthly credit card limit commensurate with staff responsibilities. Every month all transactions are acquitted by the credit card holder and approved by an authorised officer who is not the credit card holder. On an annual basis credit card holders are required to certify their compliance with the Financial Management Act 1997 as part of the Department's certificate of compliance processes. The Department also conducts regular sample testing of credit card transactions to identify personal use. Staff are encouraged to report all instances of suspected fraud to their supervisor, the Department's Governance Section, or anonymously via the Department's Report a suspected fraud web form.)

3) Nil.

Australian Crime Commission

1)

| | | |
|---------------------|----|-----------|
| Standard Secondee – | 2 | |
| APS 3 – | 1 | |
| APS 4 – | 6 | |
| APS 5 – | 9 | |
| APS 6 – | 2 | |
| EXEC L1 – | | 24 |
| EXEC L2 – | | 26 |
| SES L1 – | 11 | |
| SES L2 – | 3 | |
| CEO – | 1 | |
| Total | | 85 |

2)

a) –c) No change

d) 1 instance

Classification – SES staff member

Cardholder used their Corporate Credit Card to pay for non-business costs, staff member repaid the transactional amount and has been counselled.

Action: Chief Financial Officer and cardholder notified of the breach. Staff member was officially cautioned, asked to repay the amounts, and asked to re-read the ACC Credit Card policy.

(e) No change

3) 1 instance.

Classification – EL2 level staff.

Cardholder used their Corporate Credit Card to pay for non-business costs; staff member repaid the transactional amount and has been counselled.

Action: Chief Financial Officer and cardholder notified of the breach. Staff member was officially cautioned, asked to repay the amount, and asked to re-read and acknowledge understanding and application of the ACC Credit Card policy.

Australian Customs and Border Protection Service

1)

| Classification | No. of Cards Issued |
|-------------------------|---------------------|
| Chief Executive Officer | 1 |
| SES Band 3 | 2 |
| SES Band 2 | 11 |
| SES Band 1 | 42 |
| Customs Level 5 (EL 2) | 150 |
| Customs Level 4 (EL 1) | 217 |
| Customs Level 3 (APS 6) | 309 |
| Customs Level 2 (APS 5) | 316 |
| Customs Level 1 (APS 4) | 95 |
| Grand Total | 1,143 |

2) a)-e) There have been no changes to parts a) to e) of this question since the May Budget Estimates 2012-2013. Please refer to the previous response Question Number 162 of Questions on Notice provided in May 2012.

3) No instances of corporate credit card misuse were discovered during the financial year ended 30 June 2012. 4 cases were investigated in the FY 2011/2012, but no cases of misuse were proven.

Australian Federal Police

1) The AFP currently has 5,579 corporate credit cards issued.

| Band Level | Count |
|------------|-------|
| AFP Band 1 | 1 |
| AFP Band 2 | 331 |
| AFP Band 3 | 1202 |
| AFP Band 4 | 1272 |
| AFP Band 5 | 969 |

| | |
|-------------|------|
| AFP Band 6 | 456 |
| AFP Band 7 | 765 |
| AFP Band 8 | 223 |
| AFP Band 9 | 278 |
| SES | 82 |
| Grand Total | 5579 |

2) a)-e) Please refer to response QoN 134 from October 2011.

3) In the time period 1st of May 2012 to 30th June 2012 there were nil instances of credit card fraud reported to Professional Standards.

Australian Government Solicitor

The Australian Government Solicitor (AGS) is a government business enterprise operating on a commercial and competitive basis in providing legal and related services to government and its agencies. AGS does not receive any Budget or other appropriations and its employees are engaged outside of the *Public Service Act 1999*. The question is therefore not applicable to AGS.

Australian Human Rights Commission

1) Classification of card holders

6 x Statutory Office Holders

1 x SES Band 2

2 x Executive level 2

3 x Executive Level 1

1 x APS Level 6

2 x APS Level 5

3 x APS Level 4

1 x APS Level 3

2) Provide answer for the period 1 May 2012 to 30 September 2012

a)–e) No change

3) None.

Australian Institute of Criminology

- 1) 5 Employees: APS3 – 1, APS4 – 1, APS5 – 1, APS6 – 1, EL2 – 1.
- 2) No changes since Budget Estimates 2012-13 (May 2012)
- 3) Nil.

Australian Law Reform Commission

- 1) SES Band 3 - President
SES Band 1 - Executive Director/CFO
EL 1 - Finance Manager
- 2)
 - a) If the corporate credit card is misused, the ALRC would refer to its policies and procedures contained in the ALRC's Enterprise Agreement (Clause 53 Misconduct), the ALRC's Fraud Policy, the ALRC's Use of Credit Card Policy and the ALRC's managing suspected breaches of the APS Code of Conduct policy.
 - b) Credit card usage is monitored through the monthly reconciliation process. All expenditure on credit cards must be approved by two people, the card holder and one other delegated office holder authorised to approve expenditure. All expenditure must be accompanied by an invoice and receipt.
 - c) See response to a) above.
 - d) No instances of corporate credit card misuse have been identified.
 - e) Under the ALRC's Use of Corporate Credit Card policy staff must read and agree to the terms and conditions of usage of the ALRC credit card, prior to the card being issued to them. All transactions must be approved by the card holder and one other delegated office holder authorised to approve expenditure
- 3) Nil.

Australian Security Intelligence Organisation

- 1) APS4 - SES
- 2) a) – e) No change from Budget Estimates 2012-13 (May 2012).
- 3) There were 46 instances of corporate credit card misuse in 2011-12.

| Level | Number of staff |
|--------------|------------------------|
| APS 4 | 1 |
| APS 5 | 5 |

| | |
|------------|---|
| APS 6 | 9 |
| EL1 | 8 |
| EL2 | 2 |
| SES | 4 |
| Contractor | 1 |

- No instances of malicious misuse were identified. The identified misuses primarily consist of officers mistakenly using their corporate credit card for personal transactions or instances where the use of the corporate credit card was unavoidable (i.e. in an emergency situation).
- Depending on the nature of the misuse, staff may be counselled, have the credit card withdrawn or face other serious disciplinary action.

CrimTrac

1)

Classification of card holders

4 x APS4
 1 x APS5
 1 x APS6
 5 x EL1
 13 x EL2
 2 x SES1
 1 x CEO

2) There have been no changes since May 2012.

- a) The action will depend on the nature of the misuse and circumstances. Action may include card cancellation, criminal action in the case of fraud, action for breach of APS code of conduct, training or no action.
- b) Credit card use is monitored monthly via reconciliation of credit card statements and supervisor review of all transactions. There is also periodic review of credit cards held by the agency.
- c) The action will depend on the nature of the misuse and circumstances. Action may include card cancellation, criminal action in the case of fraud, action for breach of APS code of conduct, training or no action.
- d) CrimTrac did not identify any instances of credit card misuse for 2011-12 or for 2012-13 year to date.
- e) CrimTrac has clear policies on the use of credit cards. Credit card holders are required to acknowledge the credit card terms of use and policy, undertake training and credit card use is monitored.

3) For 2011-12, CrimTrac has not identified any cases of credit card misuse.

Family Court of Australia

1)

36 staff hold a corporate credit card. Their classifications are:

1 x CEO
2 x SES 2
3 x SES1
6 x EL 2
7 x EL1
2 x APS 6
2 x APS 5
6 x APS 4
7 x APS 3

2)

a)-e) no change since May Additional Estimates 2011-12

3) Nil.

Federal Court of Australia

1)

Classification of card holders

3x SES Band 1
7x EL2
11x EL1
9x APS6
10x APS5
11x APS4
2x APS3

2) No change since Budget Estimates 2012-13

3) Nil.

Federal Magistrates Court of Australia

1)

7 staff hold a corporate credit card. Their classifications are:

2 x SES 1
1 x EL 2
1 x EL 1
3 x APS 3

2)
a)-e) no change since May Additional Estimates 2011-12

3) Nil.

Office of the Director of Public Prosecutions (CDPP)

1) As at 16 October 2012, 24 staff in the CDPP have a corporate credit card. The number of card holders has not changed since May 2012.

| CLASSIFICATION | QUANTITY |
|-----------------------|-----------------|
| SES | 0 |
| Executive Level 2 | 2 |
| Executive Level 1 | 7 |
| APS 6 | 6 |
| APS 5 | 4 |
| APS 4 | 3 |
| APS 3 | 2 |
| TOTAL | 24 |

2)

a) Appropriate action in accordance with the Financial Management Accountability Act 1997, Financial Management Regulations 1997, the CDPP Chief Executive Instructions, CDPP Fraud Control Plan and the Guidelines on Official Conduct for all CDPP staff.

b) Individual credit card holders must retain all documentation associated with any purchase and payment to support their individual monthly statement. Monthly reviews and reconciliations of card holders' credit card statements are independently performed.

c) See (b)

d) No.

e) See (c)

3) Nil.

Office of the Australian Information Commissioner

1)

Classification of card holders

2 x Statutory Office Holders

- 1 x SES Band 1
- 1 x Executive level 2
- 1 x APS Level 6
- 3 x APS Level 5

2)

a)-e) No change

3) Nil.

National Native Title Tribunal

Please note: From 1 July 2012 the National Native Title Tribunal is no longer a Financial Management and Accountability Act 1997 Agency, and is funded to carry out its functions as a sub-program of the Federal Court of Australia's appropriation.

- 1) Please refer to the Federal Court's response
- 2) Please refer to the Federal Court's response
- 3) There were no instances of corporate credit card misuse for the period May 2012 to 30 June 2012, and the National Native Title Tribunal submits a 'Nil' response.