

## QUESTION TAKEN ON NOTICE

### SUPPLEMENTARY BUDGET ESTIMATES HEARING: 15 OCTOBER 2012

#### IMMIGRATION AND CITIZENSHIP PORTFOLIO

#### (SE12/0174A) PROGRAM – Internal Product

Senator Humphries (written) asked:

Portfolio wide - Credit cards: Please update if there have been any changes since Budget Estimates 2012-13 (May 2012):

What action is taken if the corporate credit card is misused? How is corporate credit card use monitored? What happens if misuse of a corporate credit card is discovered? Have any instances of corporate credit card misuse have been discovered in 2011-12 and the financial year to date? List staff classification and what the misuse was, and the action taken. What action is taken to prevent corporate credit card misuse?

*Answer:*

The Department currently uses two credit cards, Mastercard for general business expenditure and Diners for travel related expenditure.

#### **Card Misuse - Action taken**

If a suspected breach of the code of conduct is identified, the matter is referred to the Director, Values & Conduct to investigate. If inappropriate use is identified, the matter may be referred to the Australian Federal Police for assessment and further action. Any disciplinary action taken by DIAC is in accordance with the *Public Service Act 1999 (the Act)*. Section 15 of the Act allows an agency head or a duly authorised delegate to impose a range of disciplinary remedies, such as a reprimand, where minor breaches are discovered, to loss of employment in more serious cases.

#### **Card Monitoring & Action to prevent misuse**

For both Diners and Mastercard:

- The credit card holder's supervisor, or another officer is required to physically sight and check credit card statements and all invoices/supporting documentation
- The supervisor is required to electronically review and sign-off the statement in the financial system SAP
- Employees are required to undertake a course and attain a 100% pass mark on a test relating to the policies and procedures in the use of the credit card
- The cardholders are required to re-sit the test at the date of the card renewal, which is normally every three years
- Staff who take leave for more than three months are required to surrender their card and resit the test on their return
- The key control for Diners cards is that the cards can only be used for travel related expenditure and merchants are blocked for non-travel related expenditure.

## Card Misuse

Financial Year 2011-12:

- There were 20 cases of accidental misuse of a corporate credit card for the period 1 July 2011 to 30 June 2012
- There have been no reported cases of fraudulent activity on corporate credit cards for the period 1 July 2011 to 30 June 2012.

### Staff classification and reasons for accidental misuse of credit card:

Number of instances	Classification	Reason of accidental misuse
1	APS 4	Personal expense
2	APS 5	Personal expense
1	APS 6	Personal expense
1	APS 6	Purchase of excess baggage
5	EL 1	Personal expense
1	EL 1	Taxi
1	EL 1	Purchase of meals
3	EL 2	Personal expense
1	EL 2	Purchase of meals
1	BSM (EL2)	Personal expense
2	PMO (EL2)	Personal expenses
1	PMO (EL2)	Purchase of meals

### Financial Year to date 30 September 2012:

- There were 4 cases of accidental misuse of a corporate credit card for the period 1 July 2012 to 30 September 2012
- There have been no reported cases of fraudulent activity on corporate credit cards for the period 1 July 2012 to 30 September 2012.

Number of instances	Classification	Reason of accidental misuse
1	APS 4	Personal expense
1	APS 5	Personal expense
1	APS 6	Personal expense
1	EL 1	Purchase of meal

### Action Taken:

The Debt Management Team issues an invoice to the staff member for the accidental purchase on the corporate credit card. Reminder letters are sent to the staff member, if required. Where repayment has not been received within a reasonable timeframe the card is cancelled.

*MRT-RRT*

*Answer*

There has been no misuse of corporate credit cards identified in 2011-12 to 30 September 2012. Misuse of corporate credit cards is treated as a possible fraud and/or code of conduct issue.