

Senate Community Affairs Legislation Committee

BUDGET ESTIMATES - 4 JUNE 2013 ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Credit Cards

Question reference number: HS 77

Senator: Smith

Type of question: Written

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Question:

- a) Provide a breakdown for each employment classification that has a corporate credit card.
- b) Please update details of the following?
 - 1) What action is taken if the corporate credit card is misused?
 - 2) How is corporate credit card use monitored?
 - 3) What happens if misuse of a corporate credit card is discovered?
 - 4) Have any instances of corporate credit card misuse have been discovered?
List staff classification and what the misuse was, and the action taken.
 - 5) What action is taken to prevent corporate credit card misuse?

Answer:

- a) At 20 June 2013, 1,680 staff had a corporate credit card. Details of staff classifications are listed below.

| Classification | Cardholders |
|-----------------------|--------------------|
| APS2-6 | 1,111 |
| EL1 | 174 |
| EL2 | 213 |
| SES Band1 | 131 |
| SES Band2 | 43 |
| SES Band3 | 7 |
| Secretary | 1 |
| Total | 1,680 |

- b) 1) If a corporate credit card is misused the matter is reviewed by the Financial Governance team and a breach recorded. If the misuse is the result of ignorance or human error, the card holder is counselled and the SES official they report to is advised. Depending on the circumstances, the card may be removed or the limit decreased. If the misuse is an intentional act, the matter is referred to Human Resources for formal investigation and potential code of conduct action.
- 2) Corporate credit card use is monitored by the following means:
- Shared Services review each transaction for compliance with the DHS financial framework.
 - The line manager of each card holder reviews each transaction of the respective card holder. A copy of the relevant tax invoice is available to the line manager at this review point. This process is part of the work flow in the financial management system.
 - The Financial Governance team reviews samples of credit card transactions as part of the compliance quality assurance program.
- 3) Refer to (2) above.
- 4) A total of 54 instances of misuse of a corporate credit card have been reported in the current financial year (2012-13).

| Staff Classification | Details of Misuse | Number of Breaches | Action Taken |
|-------------------------------|---|--------------------|---|
| APS 4 | DHS credit card inadvertently used for unauthorised personal expenditure. | 5 | Invoice raised against staff members. |
| APS 4 | DHS taxi card inadvertently used for unauthorised personal expenditure. | 1 | Invoice raised against staff members. |
| APS 4 | DHS credit card used fraudulently for unauthorised personal expenditure. | 28 | Currently under investigation with the Internal Assurance Branch. |
| Total APS 4 breaches - 34 | | | |
| APS 5 | DHS credit card inadvertently used for unauthorised personal expenditure. | 1 | Invoice raised against staff members. |
| Total APS 5 breaches - 1 | | | |
| APS 6 | DHS credit card inadvertently used for unauthorised personal expenditure. | 3 | Invoice raised against staff members. |
| APS 6 | DHS taxi card used inadvertently for unauthorised personal expenditure. | 3 | Invoice raised against staff members. |
| Total APS 6 breaches - 6 | | | |
| EL1 | DHS credit card used inadvertently for unauthorised personal expenditure. | 1 | Invoice raised against staff members. |
| EL1 | DHS taxi card inadvertently used for unauthorised personal expenditure. | 1 | Invoice raised against staff members. |
| Total EL1 breaches - 2 | | | |
| EL2 | DHS credit card inadvertently used for unauthorised personal expenditure. | 3 | Invoice raised against staff members. |
| Total EL2 breaches - 3 | | | |
| SES Band 1 | DHS credit card inadvertently used for unauthorised personal expenditure. | 7 | Invoice raised against staff members. |
| Total SES Band 1 breaches - 7 | | | |
| SES Band 2 | DHS credit card inadvertently used for unauthorised personal expenditure. | 1 | Invoice raised against staff members. |
| Total SES Band 2 breaches - 1 | | | |

- 5) To prevent the misuse of corporate credit cards, DHS:
- i. requires an SES official to approve the issue of a corporate credit card to a particular official;
 - ii. will not give a corporate credit card to an official unless training has been undertaken;
 - iii. undertakes an annual review of corporate credit cards to ensure that a continuing business need exists for each card; and
 - iv. monitors all corporate credit card transactions and issues a breach if any issues are identified.