

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
Social Services Portfolio
2014-15 Budget Estimates Hearings

Outcome Number: Cross Outcome - Across Programs

Question No: 934

Topic: Credit cards

Hansard Page: Written

Senator Ludwig asked:

Please update details of the following:

- 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 since Additional Estimates in February, 2014? List staff classification and what the misuse was, and the action taken.
- e) What action is taken to prevent corporate credit card misuse?

Answer:

Department of Social Services

- a) All reported instances of personal use are reviewed. Following review, corrective action taken generally ranges from:
 - offending card holders being reminded of their obligations; to
 - card cancellation; to
 - debt recovery procedures initiated.
- b) Credit card usage is monitored through:
 - a two-step monthly verification process;
 - random spot checks of card holders' transactions;
 - certificate of compliance reporting;
 - reviews by Internal Audit; and
 - quarterly monitoring using the Department's Expense Management System.
- c) Credit card misuse usually occurs by mistake and is generally rectified by the card holder as soon as the mistake is realised. Where doubts are raised, these matters are referred for further investigation by the card holder's Verifying Officer, the Credit Card Administrator or Internal Audit.
- d) Since 27 February 2014, there have been 4 instances of inadvertent personal usage involving 4 staff: 1 SES officer and 3 Executive/APS level staff. There were no cases of deliberate misuse and in all cases debt recovery procedures were initiated.
- e) The Department's Credit Card Policy governing the use of credit cards is promulgated on the Department's Intranet site and clearly defines the approved and disallowed uses of credit cards. Staff are required to undertake training on the rules and procedures associated with the use and acquittal of Department credit card expenditure prior to being issued with a credit card.

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Australian Aged Care Quality Agency

- a) N/A
- b) Every month the cardholder submits their statement and receipts and the statement is approved and authorised by the card holder's supervisor. The Quality Agency has a credit card policy and a travel policy. Each card has an appropriate expenditure limit. Most usage is for travel and policy must be followed to incur travel cost. Internal audits are completed on all areas of financial transactions including travel and corporate credit cards.
- c) N/A
- d) N/A
- e) As per answer b.

Aged Care Pricing Commissioner

In respect of (a) (b) (c) and (e) the use of corporate credit cards in the Office of the Aged Care Pricing Commissioner is undertaken according to Department of Social Services Corporate Credit Card Policy and associated procedures and rules.

(d) No instances of corporate credit card misuse have been identified in the time period referred to.

Australian Institute of Family Studies

- a) Under the Institute's Financial Rule 5.1.12, any misuse of the corporate credit card is immediately reported to the Deputy Director (Corporate and Strategy) for investigation and appropriate action. Investigations are fully documented and treated as In-Confidence.
- b) All credit card statements are reconciled by the cardholder and authorised by their immediate supervisor before being checked by the Finance Team. The CFO also reviews all statements on a monthly basis.
- c) If a misuse is discovered, an investigation is undertaken by the CFO.
- d) N/A
- e) All corporate credit card holders sign an agreement to use the card only for the Institute's business use only. Cash withdrawals are not available with the card.

Social Security Appeals Tribunal

- a) If misuse were discovered, the card would be withdrawn and the Secretary would be notified.
- b) Each month charges to corporate credit cards are reconciled with tax invoices or receipts.
- c) The action described above at a) would be taken.
- d) N/A
- e) The monthly monitoring described above at b).

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National Disability Insurance Agency

- a) Credit Card misuse is identified by the cardholder supervisor as part of a monthly verification process. Any suspicious activity is sent to the Risk and Strategy Branch for investigation. The Risk and Strategy Branch is expected to take action appropriate to the type of misuse including:
 - Offending card holders being reminded of their obligations.
 - Card cancellation.
 - Debt recovery procedures initiated.
 - Reporting fraud to the police.
- b) Credit card usage is monitored through:
 - A two-step monthly verification process.
 - Credit Card Administrator, Internal Audit or the Australian National Audit Office review of the card holders official file which can occur at any time.
- c) The Credit Card Policy states misuse of the card will lead to the card being cancelled. The cardholder will be required to pay restitution to the agency and proceedings may be instigated against the officer.
- d) Four instances of credit card misuse through personal use have been discovered since February 2014. These were by 2 SES officers and 2 APS 5 Officers. None of these instances were reported as being deliberate and all monies have been recovered.
- e) The NDIA's Credit Card Policy and Credit Card Process and Procedural Rules are available on the NDIA intranet site. These clearly describe the allowed use of credit cards and the requirement to undertake training in ICMS before the card is issued. The card holder must also sign the Purchasing Card Agreement and Authorisation Form stating they will abide by the Credit Card policy and Rules.