

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Budget Estimates May 2017

Communications Portfolio

Australia Post

Question No: 33(f)

Australia Post

Hansard Ref: Written, 02/06/2017

Topic: Credit Cards

Senator Bilyk, Catryna asked:

How many credit cards are currently on issue for staff in the Department and agencies within the portfolio? If possible, please provide a break-down of this information by APS/ SES level.

- (a) What was the value of the largest reported purchase on a credit card in calendar year 2016 and what was it for?
- (b) How much interest was paid on amounts outstanding from credit cards in calendar year 2016?
- (c) How much was paid in late fees on amounts outstanding from credit cards in calendar year 2016?
- (d) What was the largest amount outstanding on a single card at the end of a payment period in calendar year 2016 and what was the card holder's APS/ SES level?
- (e) How many credit cards were reported as lost or stolen in calendar year 2016 and what was the cost of their replacement?
- (f) How many credit card purchases were deemed to be illegitimate or contrary to agency policy in calendar year 2016? What was the total value of those purchases? How many purchases were asked to be repaid on that basis in calendar year 2016 and what was the total value thereof? Were all those amounts actually repaid? If no, how many were not repaid, and what was the total value thereof?
- (g) What was the largest purchase that was deemed illegitimate or contrary to agency policy and asked to be repaid in calendar year 2016, and what was the cardholder's APS/ SES level? What that amount actually repaid, in full? If no, what amount was left unpaid?
- (h) Are any credit cards currently on issue in the Department or agencies within the portfolio connected to rewards schemes? Do staff receive any personal benefit as a result of those reward schemes?
- (i) Can a copy of the Department's staff credit card policy please be provided?

Answer:

There are currently 2995 credit cards on issue for staff in the Australia Post Group. Australia Post Group staff are not banded into APS / SES levels.

- (a) The value of the largest reported purchase on a credit card in calendar year 2016 was \$39,669.75, and it was for hire costs associated with a Brisbane event.

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- (b) \$0 interest was paid on amounts outstanding from credit cards in calendar year 2016.
- (c) \$0 interest was paid in late fees on amounts outstanding from credit cards in calendar year 2016.
- (d) The largest amount outstanding on a single card at the end of a payment period in calendar year 2016 was \$0.
- (e) Eight credit cards were reported as lost or stolen in calendar year 2016. The cost of their replacement was \$0.
- (f) 195 credit card purchases were deemed to be illegitimate or contrary to policy in calendar year 2016. The total value of those purchases was \$25,131.58. All purchases were asked to be repaid on that basis in calendar year 2016, and all were repaid in full.
- (g) The largest purchase that was deemed illegitimate or contrary to policy and asked to be repaid in calendar year 2016 was \$3097.3. The amount was repaid in full. Australia Post Group staff are not banded into APS / SES levels.
- (h) There are no credit cards currently on issue connected to rewards schemes.
- (i) A copy of the Australia Post Group credit card policy is enclosed.



Group Credit Card Policy

Policy Level:	3
Accountable Executive:	General Manager Property & Procurement
Date Approved:	28 July 2014
Date Effective:	04 August 2014

auspost.com.au

Classification: Internal

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Statement of Policy

Overview	<p>This policy applies to the Australia Postal Group (APG). The APG is defined as the Australian Postal Corporation and its subsidiaries. This includes, but is not limited to, employees, contractors, licensees and franchisees of the APG.</p> <p>The APG is committed to the highest level of integrity, and promotes values, recognises, demonstrates and expects ethical and lawful behaviour in all business practices. Individuals must conduct themselves in a manner consistent with community and corporate standards, and in compliance with all relevant legislation and internal policies.</p> <p>This policy articulates the standards expected of all persons and provides guidance as to how APG will manage the issuance and use of credit cards</p> <p>Corporate credit cards are an efficient means of paying for certain goods and services, such as travel and entertainment and general low value expenditure not available through other channels.</p>
Rationale & scope	<p>This policy outlines the rules governing the use of corporate credit card at Australia Post and subsidiary businesses. It aims to ensure that staff understand</p> <ul style="list-style-type: none">• When it is appropriate to use a corporate credit card• Their responsibilities as card holders• Their responsibilities as approvers
Audience	<p>This policy applies to the Australia Postal Group (APG). The APG is defined as the Australian Postal Corporation and its subsidiaries. This includes, but is not limited to, employees, contractors, licensees and franchisees of the APG</p>
Application	<p>Use of all corporate credit cards within the APG.</p>
Policy Principles	<p>1. Card Security</p> <p>The credit card holder is responsible for the secure and safe storage and usage of their credit card. The issuing bank website has a comprehensive section covering card and online security</p> <p>2. Card Holder</p> <p>A credit card is available for issue to an Australia Post Group permanent or fixed term employee. A credit card will typically be issued to employees who are required to travel frequently or have a particular business reason e.g. regular entertainment expenses. Before the card is issued the employee must formally accept the conditions of use specified in the credit card agreement form and complete any training requested.</p> <p>The credit card holder must ensure that credit cards are only used for approved items and that monthly statements are processed and approved in a timely manner.</p> <p>3. Approver</p> <p>A credit card approver must be a spend delegate (i.e. in a position with the appropriate spend delegation) within the relevant cost centre / cost area. If an approver isn't an existing credit card holder they may be required to undergo training</p>

Awareness, Training & Induction	<p>This policy will be available to all staff via the intranet.</p> <p>Any aspects of this policy affecting staff will be communicated directly to them.</p>
Enforcement & Monitoring	<p>Staff may be deemed to have failed to comply with this policy directly and or with its intent. Failure to comply with the intent of this (or any other) policy will be considered in breach of the requirements.</p> <p>Employees acting or behaving in a manner that contravenes the principles outlined in this document are considered to be in breach.</p> <p>Breaches will be subject to counselling or disciplinary action appropriate to the circumstances and seriousness of the behaviour.</p> <p>Disciplinary action may include dismissal or termination of employment.</p>
Breaches, Exemptions & Variations	<p>Any exemptions to this policy must be approved by the General Manager, Property & Procurement.</p>
Reporting	<p>Reports highlighting outstanding and non compliant transactions are run on a monthly basis.</p>
Review	<p>This policy will be reviewed at least every three years.</p>

Policy Guidelines

Card Security

Accountability

The credit card holder is responsible for the secure and safe storage and usage of their credit card. The issuing bank website has a comprehensive section covering card and online security

Lost/Stolen Cards

If the credit card is lost or stolen, the credit card holder must immediately notify the issuing bank and the relevant department. Details are available on the corporate intranet.

Information Security

All users of credit cards must comply with Australia Post Group Information Security Policy

Limits of Authority for Delegates

A Card Delegate or Delegate Manager does NOT have the right to use the cardholder's credit card. The person whose name appears on the Credit card is the only person authorised to use that credit card

Card Holder

Obtaining a card

Criteria for eligibility

A credit card is available for issue to an Australia Post Group permanent or fixed term employee. A credit card will typically be issued to employees who are required to travel frequently or have a particular business reason e.g. regular entertainment expenses.

Before the card is issued

Before the card is issued the employee must formally accept the conditions of use specified in the credit card agreement form and complete any training requested.

Approved use

The following are allowable business expense types (within card limit):

- Travel and entertainment expenses including taxis, accommodation and meals, (per the relevant HR policies and travel guidelines)
- External training courses (pre-approved by approving manager)
- Membership of professional associations (pre-approved by approving manager)
- Other authorised business transactions not prohibited or excluded under this policy

Cash advances

Cash advances are only available to employees who are travelling overseas. Authority for cash advances must have the prior approval of their approving manager and authority is limited to the duration of the period of travel.

Cash advances are defined as a credit card transaction and must be substantiated in accordance with any other credit card transactions. Any outstanding or left over amounts from cash advances must be credited back to the relevant cost centre.

Prohibited use

Employees must not:

- Use the credit card for personal transactions
- Pay any credit card account
- Receive any credit card refunds personally
- Make purchases with a value greater than the credit card holder's transaction limit
- Split a purchase into two or more payments (to avoid the credit card transaction limit)

A credit card must not be used for the following categories of transactions:

- Purchase of goods or services currently under contract. Typically these purchases will be managed through purchase orders and invoices.
- Property maintenance & leasing related purchases managed by Real Estate
- Property (buildings, refits, etc) project related purchases managed by Real Estate
- Purchase of plant maintenance items
- Purchase of IT hardware and software items
- Purchase/payment for items that require entry into the fleet system, including purchase of fuel handled by fuel card
- Reimbursement of petty cash floats
- Purchase of travellers cheques

Administration

Timely completion of credit card process

Credit card holders and approving managers must ensure that all aspects of the credit card processes are completed within the current period.

Substantiation of credit card transactions

The credit card holder must obtain a tax invoice/receipt for each credit card transaction. A credit card payment slip is not sufficient.

Transaction processing and approval

An email will be sent advising when the Credit card statement is available. The credit card holder must:

- Check for credit card transactions for fraudulent or unauthorised transactions
- Reconcile all listed transactions against tax invoices, dockets or receipts
- Code each and every transaction with the appropriate cost centre code
- For online processing, scan tax invoices, dockets or receipts and link to expense ensuring that all scanned images are legible
- Submit completed expenses to approving manager for approval

Disputed transactions and returned goods

Where goods purchased on credit card are returned, the merchant must credit any refund to the credit card. A cash or cheque refund must not be accepted.

Disputed transactions must be raised in a timely manner by the card holder per the procedures on the corporate intranet (The issuing bank will only investigate disputed transactions notified within three months of the posting date). Disputed transactions are still required to be coded, submitted and authorised each month/period.

Changes to role or details

The credit card holder must process changes to personal details per the relevant procedures on the corporate intranet.

This includes cancelling the card on termination of service with Australia Post Group or if their job role no longer requires the use of a credit card. All outstanding receipts must be given to the approving manager for coding and authorising on the final credit card statement.

Cancellation of the card where the card holder goes on extended leave (e.g. long service or maternity leave) is at the discretion of the card holder's line manager.

Credit card Transaction Limits

Default limits per transaction and to total expenditure per month apply. The specific limits that apply to a given entity within the group can be found on that entity's intranet.

These limits may be amended based on specific business justification.

Appointing a Card Delegate

A card delegate is a permanent or fixed term Australia Post Group employee who has been nominated by the credit card holder to view, code and submit their credit card transactions on their behalf. Appointment of a card delegate must be approved by the credit card holder's approval manager.

The use of a delegate does not reduce the credit card holder responsibility under this policy. A card delegate must complete the relevant training.

Misuse

Any activities that contravene this policy will be considered misuse e.g.

- Not coding transactions or submitting statements in the required window
- Not approving transactions or submitting statements in the required window
- Consistent purchasing of prohibited/excluded items
- Splitting transaction payments to avoid transaction limits
- Personal transactions

Consistent misuse will result in the credit card being suspended and ultimately cancelled. Serious misuse may result in disciplinary action (including termination of employment).

Approver

Credit card approvers

A credit card approver must be a spend delegate (i.e. in a position with the appropriate spend delegation) within the relevant cost centre / cost area. If an approver isn't an existing credit card holder they may be required to undergo training.

Approving manager responsibility

Australia Post Managers must exercise responsible credit card use, ensuring their individual and team usage complies with credit card policy. In particular:

- Ensure that individual transaction limits and monthly credit limits are observed
- Ensure staff are advised and understand acceptable use of credit card

Administration

Statement Reviewing

The credit card approver must:

- Ensure that all credit card processes are completed within the current period
- Never request anyone other than an authorised delegate to approve credit card expenditure and/or supporting documentation on your behalf
- Ensure the credit card holder correctly processes every transaction on the statement; particular attention should be given to the account coding and the use of meaningful descriptions of the goods or services purchased.

- Immediately follow up incorrect coding with the credit card holder by rejecting the transaction for updating
- Query any unusual or excessive expenditure with the cardholder. If expenditure is deemed unauthorised it must still be approved; the approving manager must take appropriate action with the employee.
- Ensure every transaction is associated with a tax invoice/receipt. A credit card payment slip is not sufficient

Statement Approval

When the approving manager has completed reviewing the statements they must promptly approve each credit card holder's statement.

Credit card Administration

To assist in the accuracy of credit card data the approving manager must:

- Ensure correct procedures are followed for credit card cancellation
- Ensure a card delegate is nominated for staff who will be absent during the coding period
- Approve the relevant credit card forms

Delegate approver

A delegate credit card approver must be a spend delegate (i.e. in a position with the appropriate spend delegation) within the relevant cost centre / cost area.

A delegate approver takes on all accountabilities and responsibilities of an approver.

A delegate should only take over approval where the approver is on leave or unavailable for the statement period. .

Roles & Responsibilities

Requirement	Responsible area/Role	Activities	Nature of activity
Policy Governance			
The Enterprise Risk Management Forum (ERMF) must report on to the implementation of governance frameworks and policies.	ERMF	The ERMF will ensure appropriate governance mechanisms and control frameworks are in place.	Third line of defence
Accountable Executive	General Manager Property & Procurement	To oversee the application of the Policy	Second line of defence
Policy Operation			
Identifying and managing the use of resources	Managers	Fostering an environment that encourage compliance with the principles of the policy	First line of defence
Comply with regulatory obligations, policies and procedures. Undertake relevant training.	Employees	Complying with regulatory obligations, policies and procedures relevant to their work responsibilities and behavioural Guidelines	First line of defence
Policy Monitoring & Oversight			
Compliance	Procurement function	Oversee and ensure APG compliance to the principles of the Policy.	Second line of defence
Breach & Incident Reporting	Procurement function	Will undertake remediation and reporting for related matters to the Enterprise Risk Management Forum	Second line of defence
Periodic review of compliance to this policy	Enterprise Risk & Compliance	Undertake periodic review to ensure this policy is complied with and reporting of Breaches and incidents to the ERMF and BARC.	Second line of defence

Glossary

APG

Australia Postal Group (APG).The APG is defined as the Australian Corporation and its subsidiaries.

Card Delegate

A card delegate is a permanent or fixed term Australia Post Group employee who has been nominated by the credit card holder to view, code and submit their credit card transactions on their behalf

Policy Administration

Document Title	Group Credit Card Policy
Policy Level	3
Version No	1.0
Accountable Executive	General Manager Real Estate & Procurement
Policy Owner	Manager, Requisition to Pay
Policy Administrator	General Manager, Risk & Compliance
Policy Content Owner	Manager, Requisition to Pay
Policy Approval Date	28 July 2014
Policy Effective Date	04 August 2014
Next scheduled review	July 2017
Review and Approval Body	Accountable Executive - Approval Enterprise Risk Management Forum - Noting