

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES 2013-2014

Finance Portfolio

Question reference number: F114

Senator: Ludwig

Topic: Credit Cards

Question:

1. Provide a breakdown for each employment classification that has a corporate credit card.
2. 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? 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 / Agency	Response
Finance	1. As at 30 November 2013: <ul style="list-style-type: none"> • 42 APS staff • 86 EL staff • 76 SES staff 2. a) – e) No update since Additional Budget Estimates February 2012. Refer to the response to F111.
AEC	1) 517 active credit cards: <ul style="list-style-type: none"> • 420 APS staff • 80 EL staff • 17 SES staff 2) <ol style="list-style-type: none"> a) Suspected misuse of corporate credit cards is reported to the Chief Financial Officer. Misuse is reported in the AEC's Certificate of Compliance. If fraud is suspected the matter is referred to the Fraud Control Officer. The standard process for handling all suspected fraud incidents is in accordance with the Fraud Control Plan which is based on the Australian Government Investigation Standards. Steps in the process include: <ul style="list-style-type: none"> • Collection of all available data; • Assessment of whether further action is required including if the

incident is to be referred to the Australian Federal Police or investigated internally; and

- Action taken.

- b) Corporate credit card use is monitored through the AEC's Expense Management System, iCMS, which records every transaction against every credit card. Every card holder's supervisor must authorise each transaction.

Additionally, the iCMS system produces reports of transactions that occur on Saturday and Sunday that can be used by supervisors to review these transactions separately.

- c) Refer to answer a)

d)

Date	Staff classification	Details of credit card misuse	Action taken
September 2013	Permanent employee NSW State Office Classification: APS 5	Accidental use of credit card for personal purposes.	No cash loss to the AEC as the staff member immediately repaid the amount once it was identified.
September 2013	Permanent employee WA State Office Classification: APS 6	Accidental use of credit card for personal purposes.	No cash loss to the AEC as the staff member immediately repaid the amount once it was identified.
September 2013	Permanent employee QLD State Office Classification: APS 3	Accidental use of credit card for personal purposes.	No cash loss to the AEC as the staff member immediately repaid the amount once it was identified.
September 2013	Permanent employee VIC State Office Classification: EL 2	Accidental use of credit card for personal purposes.	No cash loss to the AEC as the staff member immediately reported the incident and has repaid the amount.

- e) The AEC's preventative controls for corporate credit card misuse include:

- the cardholder must sign an acknowledgement form that details their responsibilities and consequences of any misuse;
- fraud and ethics training is a part of the AEC's induction package and annual refresher training; and
- Fraud Control Plan and other related documentation on the intranet for staff information.

ComSuper

1. As at 9 December 2013, ComSuper had 29 credit cardholders, held by the following classification of staff:

- 16 APS level staff
- 7 Executive level staff
- 6 SES officers.

	<p>2.</p> <p>a) & b) All holders of corporate credit cards are responsible to ensure that they comply with ComSuper’s credit card policy (including reporting to the Chief Financial Officer (CFO) of any suspicious or unauthorised transactions) and acquit their card on a monthly basis. All credit card acquittals are reviewed by Financial Management Branch (FMB) prior to approving the acquittal. The review confirms each transaction has appropriate documentation and approval as well as being consistent with ComSuper’s policy.</p> <p>Where a transaction appears inconsistent with relevant ComSuper policy, or a cardholder has not undertaken their acquittal for a period greater than one month, this is reported to the CFO.</p> <p>Where appropriate the CFO will in turn contact the cardholder and the Chief Governance Officer (CGO). If the misuse included personal use the cardholder would be invoiced the full amount and depending on the severity of the breach of policy the CFO has the discretion to cancel the cardholder’s credit card.</p> <p>Where the CGO considers it appropriate, action may be taken in accordance with internal policies and procedures. Legal action may be taken under Section 60 of the <i>Financial Management and Accountability Act</i> or as a breach of the <i>APS Code of Conduct</i>.</p> <p>c) A staff member who becomes aware of any misuse of, or unauthorised transactions on, a corporate credit card must immediately report it to FMB. Action is then taken in accordance with the process outlined above in part 2(a) & (b).</p> <p>d) No.</p> <p>e) When applying for a corporate credit card officers are required to attend one-on-one training which details their obligations under ComSuper’s credit card policy. Prior to receiving the card the applicant is required to sign that they understand and commitment to adhere with their obligations. FMB also conducts credit card training sessions every two months and compulsory annual awareness training.</p>
Commonwealth Superannuation Corporation	<p>1. 26x credit cards</p> <ul style="list-style-type: none"> • Chief Executive Officer x1 • Chief Investment Officer x1 • General Manager x1 • Senior Executives x5 • Senior Portfolio Managers x9 • Manager x2 • Analyst x1 • Senior Analyst x1 • Member Educational Consultant x1 • Corporate Administrators x2 • Assistant Secretary x1 • Financial Planner x1

	<p>2. No change since Budget Estimates 2013-14.</p>
<p>Future Fund Management Agency</p>	<p>1. 95 active credit cards:</p> <ul style="list-style-type: none"> • FFMA1 - 13 • FFMA2 - 14 • FFMA3 - 17 • FFMA4 - 19 • FFMA5 - 17 • FFMA6 – 10 • FFMA7 - 5 <p>2.</p> <ol style="list-style-type: none"> a) The Managing Director of the FFMA will determine appropriate action, in accordance with internal policies and procedures b) All statements require approval of the relevant manager of the card user and are reviewed by the CFO each month. c) The CFO investigates any questionable credit card transactions and reports to the Managing Director all significant breaches. d) No. e) All staff are provided with the relevant Chief Executive Instruction on the use of credit cards when they commence employment. All staff are required to sign off annually that they have complied with the Agency’s policies, including the use of credit cards.