

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

19 – 20 October 2011

Question No: SBT 303 - 308
Topic: ABS Credit Cards
Hansard Page: Written

Senator Bushby asked:

303. How many staff in each department and agency have a corporate credit card?
a) What is their classification?
304. What action is taken if the corporate credit card is misused?
305. How is corporate credit card use monitored?
306. What happens if misuse of a corporate credit card is discovered?
307. Have any instances of corporate credit card misuse have been discovered?
a) List staff classification and what the misuse was, and the action taken.
308. What action is taken to prevent corporate credit card misuse?

Answer:

303. The Australian Bureau of Statistics (ABS) has 1,968 active credit cards issued to ABS staff members as at 30 September 2011.

ABS officers are eligible to apply for a credit card where it can be demonstrated that a business requirement exists. As part of the application process, applicants submit a 100 point identity check administered by authorised officers.

Applicants receive training on the appropriate use of the credit card and their responsibilities as a cardholder. Cardholders are required to acknowledge that they understand the terms, conditions and responsibilities as a cardholder.

304. Cases of suspected credit card misuse are investigated and case managed by the Human Resources Branch. Once a matter has been referred to the Conduct Case Manager, they may decide to personally investigate and determine whether, on the balance of probabilities,

there has been a breach of the Code of Conduct. Alternatively, they will appoint an independent investigator to make appropriate inquiries and recommend whether, on the balance of probabilities, a breach has occurred. This may include the use of an external investigator.

305. Credit card use is regularly monitored as part of the credit card approval and acquittal process. Every transaction by all cardholder's are subject to an approval process. Documentation, such as tax invoices or receipts are electronically scanned and linked to each transaction by the cardholder and then approved by line managers.

Cardholder transactions are monitored and reviewed on a monthly basis to ensure the timely review and approval of all credit card transactions.

All cost centres report on compliance of credit card usage three times per year via the Certificate of Compliance.

306. If a suspected misuse of a credit card is reported / identified as part of monitoring and compliance processes and after an investigation (as discussed in SBT 304) confirms that the Code of Conduct has been breached, a further decision needs to be taken as to what, if any sanction(s) should be imposed. The available sanctions (s.15(1) of the Act) are:

- a a reprimand;
- b deductions from salary, by way of a fine;
- c reduction in salary;
- d reassignment of duties;
- e reduction in classification;
- f termination of employment.

Consideration will also be given as to whether the corporate credit card should be returned and deactivated, and whether any expenditure deemed to have been made in misuse is recovered. Where it is warranted, cases may be referred to the Federal Police for further action.

307. There have been no instances of corporate credit card misuse discovered in 2010-11, and financial year to date September 2011.

308. All cardholders must read and sign a credit card agreement before a credit card is issued. The agreement requires acknowledgement that the card must not be used other than for official purposes and within the card limit. The agreement also requires cardholders to comply with all policies and procedures governing the use of the card as outlined in the ABS Corporate Manuals and the Chief Executive Instructions.

Cardholders give an explicit undertaking not to use cards for personal expenses and accept responsibility for adequately securing the card.

The agreement acknowledges that the card facility may be withdrawn due to failure to comply with the credit card agreement, and that wilful use of the card with the intention of obtaining cash, goods or services other than for Commonwealth use, will result in proceedings under Commonwealth law.

The Credit Card services provider offers fraud control services. This includes the blocking of certain merchant categories, and the identification of suspect transactions which are alerted to the Corporate Card Administrator for investigation.

Credit card use is regularly monitored as part of the credit card approval and acquittal process. Every transaction by all cardholder's are subject to an approval process. Documentation, such as tax invoices or receipts are electronically scanned and linked to each transaction by the cardholder and then approved by line managers.

Testing of credit card transactions occurs as part of the certificate of compliance process, and training is made available to all cardholders.