

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation, Science, Research and Tertiary Education Portfolio
Supplementary Budget Estimates Hearing 2012-13
17 October 2012

DEPARTMENT: DEPARTMENT OF INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION

TOPIC: Credit Cards

REFERENCE: Written Question – Senator Bushby

QUESTION No.: SI-184

1. Provide a breakdown for each employment classification that has a corporate credit card.
2. Please update if there have been any changes since Budget Estimates 2012-13 (May 2012):
 - 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 OF INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION

1. The Department had 2,415 corporate credit cards as at 31 October 2012. The breakdown of staff with credit cards by classification is as follows: Senior Executive Service (including the Departmental Secretary) - 94; Executive Level - 1,196; and Australian Public Service Officers - 1,125.
2.
 - a), b), c) and e) - no change to response provided to AI-250.
 - d) Please refer to AI-250 for information on misuse of credit cards for the period 1 July 2011 to 29 February 2012. There were 39 instances of misuse for the period 1 March 2012 to 31 October 2012, which relate to the accidental use of the corporate credit card for personal expenditure. Officials are reminded of their obligations when using the Commonwealth credit card and debt recovery action is taken. The break down by staff classification is: Senior Executive Service 12 instances, Executive Level 13 instances, Australian Public Service Officers 14 instances.

AUSTRALIAN INSTITUTE OF ABORIGINAL AND TORRES STRAIT ISLANDER STUDIES (AIATSIS)

1. The Institute had 24 corporate credit cards as at 31 October 2012. The breakdown of staff with credit cards by classification is as follows: Senior Executive Service - 2; Executive Level 2 - 8; Executive Level 1 - 8; and Australian Public Service Officers - 6.
2.
 - a) The action to be taken if an Institute credit card is misused is outlined in the Institutes Principals Instructions (PIs). The employee is required to notify the Finance area of the misuse of a corporate credit card. In the event of accidental misuse of a corporate credit card, the costs are recovered and the staff member reminded of their responsibilities and cautioned. These include the recovery of the expenditure, and may also include a range of disciplinary actions from a reprimand to the termination of employment. The incidence of misuse of credit cards (breaches) is also reported in the Chief Finance Officers report to the Audit and Risk Committee and Institutes Certificate of Compliance
 - b) Credit cardholders are required to obtain the approval of a delegate, provide evidence of expenditure (receipts) and acquit the expenditure. The cardholder's statement is reviewed by the cardholders delegate and the Finance & Business Manager. Missing receipts require a Statutory Declaration to be lodged by the card holder.
 - c) As detailed in 2a.
 - d) There has been one instance of misuse of a corporate credit card for personal expenditure. The cardholder (EL 2) notified the finance area of the purchases and the amounts were immediately recovered. The cardholder's card was cancelled, they were reminded of their responsibilities as a cardholder, and the misuse was reported as a breach on the Certificate of Compliance.
 - d) Institute employees are provided with and agree to follow the existing policy on the use of credit cards prior to the corporate card being issued. This ensures that card holders are aware of their responsibilities. Further information is contained in 2b.

AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION (ANSTO)

1. ANSTO had 220 corporate credit cards as at 31 October 2012. The breakdown of staff with credit cards by classification is as follows: Chief Executive Officer - 1; ANSTO Executive Team - 13; and general ANSTO staff - 206.
2.
 - a) Documented expense and human resource policies control the use of the credit cards and transaction activity. Misuse can result in withdrawal of card and if warranted dismissal.
 - b) All expenses must be acquitted in the finance system via the SAP expense management module. This requires authorisation by a supervisor with an appropriate delegation limit.
 - c) Any instances of misuse require an internal investigation involving Security and Safeguards and Human Resources to be conducted with warnings to the individual. This could include termination if the misuse is considered to be a serious breach of documented policies. All staff sign Conditions of Use documents prior to issue of the credit card.

- d) There were four instances of misuse for the period 1 March 2012 to 31 October 2012, which relate to the accidental unintentional use of the corporate credit card for personal expenditure. Invoices have subsequently been raised and all funds have been recovered.
- e) All credit card transactions must be acquitted in the finance system via the SAP expense management module. This requires authorisation by a supervisor with an appropriate delegation limit. Due diligence is also conducted on expense claims submitted.

AUSTRALIAN INSTITUTE OF MARINE SCIENCE (AIMS)

1. AIMS had 113 credit cards as at 31 October 2012. The breakdown of staff with credit cards by classification is as follows: Chief Executive Officer (CEO) - 1; Chair of Board - 1; Senior Contractor - 1; AIMS Officer Level (AOL) 7-8 - 23; AOL 5-6 - 42; and AOL 3-4 - 45.
2.
 - a), b), c) and e) - No change to response provided to AI-250.
 - d) There have been two instances of accidental misuse of corporate credit card for personal expenditure by a two AIMS Officer Level 5 staff members. The amounts were immediately reimbursed and no further action was taken.

AUSTRALIAN RESEARCH COUNCIL (ARC)

1. The ARC had 49 credit cards as at 31 October 2012. The breakdown of staff with credit cards by classification is as follows: Chief Executive Officer - 1; Senior Executive Service - 7; Executive Level (EL) - 17; and Australian Public Service - 24.
2. a), and e) - No change to response provided to AI-250.
 - b) Credit card statements are reconciled each month, authorised by an appropriate delegate and checked by the Finance Section prior to processing.
 - c) In addition to answer b), any misuse is reported in the annual ARC Certificate of Compliance.
 - d) The ARC has identified three instances where a credit card was inadvertently used for personal use. One staff member is an SES officer, one an EL officer and the other an APS officer. All of these amounts have been recovered in full.

COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION (CSIRO)

1. CSIRO had 4,972 credit cards as at 31 October 2012. The breakdown of staff with credit cards by classification is as follows:

Classification Level	Number of credit cards
Contractor	7
CSOF1	1
CSOF2	78
CSOF3	661
CSOF4	1,123
CSOF5	947
CSOF6	948
CSOF7	618
CSOF8	429
CSOF9	42
Fellow Research	1
Honorary Fellow	20
Honorary Officer	7
Joint Venture	49
Miscellaneous Staff	6
Post Retirement Fellow	7
Student: Phd	4
Student: Post Graduate	8
Visiting Scientist	16
Total	4,972

2. a), b), and c) – Please refer to AI-250.

d) As part of the annual compliance process CSIRO identified two instances where CSIRO credit cards have been used by cardholders for a purpose other than for CSIRO.

Two (2) instances of non-compliance were identified relating to the personal, non-CSIRO use of a CSIRO-issued credit card by the cardholder, which have not been authorised by CSIRO, nor fully reimbursed.

- In the first instance, CSIRO has sought external advice from the Australian Government Solicitor (AGS), but has been advised by AGS that on the basis of the currently available evidence, CSIRO cannot prove the relevant funds were applied for personal use, and CSIRO thus is not in a position to litigate to reclaim the relevant funds. It is possible that further evidence on this issue may be discovered in the course of ongoing litigation between CSIRO and the former employee. If so, CSIRO may revisit this issue at that time. The cardholder was a Research Team Leader and is no longer with the organisation.
- In the second instance, a misconduct process has concluded and the officer has agreed to commence a repayment plan. It is likely this repayment plan will commence in November 2012 and be concluded by December 2013. The cardholder is an Administration Officer.

In addition, CSIRO operating units reported 15 instances of transactions relating to the personal, non-CSIRO use of a CSIRO-issued credit card by the cardholder, however these transactions were subsequently fully reimbursed. These 15 transactions related to three cardholders:

- Enterprise Services General Manager (no longer with the organisation)
- Executive Assistant
- Technical Services Officer

e) Please refer to BI-204.

AUSTRALIAN SKILLS QUALITY AUTHORITY (ASQA)

1. ASQA had 131 credit cards as at 31 October 2012. The breakdown of staff with credit cards by classification is as follows: Commissioners - 5; Senior Executive Service - 2; Executive Level - 67; and Australian Public Service - 57.

2.

a), (b) and (c) - please refer to BI-204.

d) No misuse of corporate credit card has been discovered.

e) Please refer to BI-204.

IP AUSTRALIA

1. IP Australia had 533 credit cards as at 31 October 2012. The breakdown of staff with credit cards by classification is as follows: Senior Executive Service - 9; Executive Level - 244; and APS Level - 280.

2. a), b), c) and d) No change to response provided to AI-250.

e) Please refer to response provided to AI-250.

TERTIARY EDUCATION QUALITY AND STANDARDS AGENCY (TEQSA)

1. TEQSA had 41 corporate credit cards as at 31 October 2012. The breakdown of staff with corporate credit cards by classification is as follows: Public Office Holder - 5; Senior Executive Service - 4; Executive Level - 23; and APS Level - 9.

2. a), b) and c) No change to response provided to BI-204.

d) There has been one instance of inadvertent misuse of a corporate credit card for personal expenditure by an EL2 level staff member. The amount was immediately reimbursed and the staff member reminded of their responsibilities as a corporate credit card holder.

e) New corporate credit card holders are required to sign a Personal Responsibility form for the use of the TEQSA Corporate Card. This is to ensure that corporate credit card holders are aware of their responsibilities. A monthly credit card acquittal is required from all card holders. This ensures that credit card transactions are monitored and appropriate approval is given for the expenses incurred against the credit card. In addition, prior to issuing a credit card to officials, a request must be provided by the person's manager together with justification on the need for a corporate credit card.