

# Senate Finance and Public Administration Legislation Committee —Additional Estimates Hearing—February 2012

## Answers to Questions on Notice

### Parliamentary departments, Department of Parliamentary Services

Topic: **Credit cards**

Question: **80**

Written **Senator Ryan**

**Date set by the committee for the return of answer: 30 March 2012**

1. How many staff in each department and agency have a corporate credit card? What is their classification?
2. What action is taken if the corporate credit card is misused?
3. How is corporate credit card use monitored?
4. What happens if misuse of a corporate credit card is discovered?
5. Have any instances of corporate credit card misuse have been discovered in the last 12 months? List staff classification and what the misuse was, and the action taken.
6. What action is taken to prevent corporate credit card misuse?

#### Answer

1. As at 29 February 2012, DPS had 22 staff with a corporate credit card. The breakdown of classification is as follows:

| <b>Classification</b> | <b>Number</b> |
|-----------------------|---------------|
| PEL2                  | 3             |
| PEL1                  | 2             |
| PSL6                  | 4             |
| PSL5                  | 2             |
| PSL4                  | 7             |
| PSL3                  | 3             |
| PSL1                  | 1             |

2. Once the Chief Finance Officer is made aware of an apparent misuse of a corporate card, an investigation is initiated. Depending on the circumstances, the investigation may be a fraud investigation or an investigation of an alleged breach of the Parliamentary Service Code of Conduct. If the investigation discovers that the misuse is due to fraudulent activities, penalties under Sections 60 and 61 of the *Financial Management and Accountability Act 1997* may apply. DPS would seek legal representation to take this matter further. Misuse of a corporate credit card would be reported in DPS's annual Certificate of Compliance reporting to the Finance Minister.
3. Corporate credit card use is monitored monthly by the DPS Finance section to ensure relevant approvals are obtained and that transactions are for work-related expenses. DPS internal audit also reviews credit card procedures and transactions as an additional mechanism to identify misuse and the risk of potential misuse.

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4. In accordance with DPS Chief Executive's Instructions, if any DPS official becomes aware of an apparent misuse of a corporate credit card, they must report the matter to the Chief Finance Officer or the Agency Security Advisor who will investigate the apparent misuse.
5. No instances of corporate credit card misuse have been discovered in the last 12 months.
6. When a corporate credit card is issued, the credit card holder signs an "Agreement and Acknowledgement by Cardholder" form acknowledging that they have read and understood the card holder requirements, the relevant chapter of the Chief Executive's Instructions and the credit card procedures, all of which govern the use of the DPS corporate credit card.

Each month, corporate credit card holders must provide the DPS Finance section with their monthly credit card statement and approved tax invoices/receipts for each purchase. Each corporate credit card holder is required to declare that all purchases are work related and provide further explanation if an invoice receipt has not been provided. The Finance section checks that all credit card holders provide this information and any discrepancies are reported to the Director Finance.

Credit card processes and transactions are subject to internal audit which is an additional mechanism to identify misuse.