

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES 2011-2012

Prime Minister and Cabinet

Department/Agency: Australian National Audit Office

Outcome/Program:

Topic: Credit Cards

Senator: Ryan

Question reference number: 155

Type of question: Written

Date set by the committee for the return of answer: December 2011

Number of pages: 2

Question:

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? List staff classification and what the misuse was, and the action taken.
6. What action is taken to prevent corporate credit card misuse?

Answer:

Q 1: The ANAO has 281 Corporate credit cards, the classification of the staff who have them are:

APS3	APS4	APS5	APS6	EL1	EL2	SES
23	25	32	60	41	77	25

Q 2: If there is misuse of any corporate credit cards (ie not in accordance with the ANAO Procedural Rules for the 'Use of Credit Card') it would be reported to the AFP. Proceedings may be instigated against the staff member under the *Public Service Act 1999* (Code of Conduct) and section 60 of the *Financial Management and Accountability Act 1997*. If found guilty, the officer may be liable for a fine and/or imprisonment and/or dismissal from office.

Section 60 of the *Financial Management and Accountability Act 1997* - Misuse of Commonwealth credit card states:

- (1) An official or Minister must not use a Commonwealth credit card, or a Commonwealth credit card number, to obtain cash, goods or services otherwise than for the Commonwealth.

Maximum penalty: Imprisonment for 7 years.

Note: Chapter 2 of the Criminal Code sets out the general principles of criminal responsibility.

- (2) Subsection (1) does not apply to a particular use of a Commonwealth credit card or Commonwealth credit card number if:
 - (a) the use is authorised by the Finance Minister's Orders; and
 - (b) the Commonwealth is reimbursed in accordance with the Finance Minister's Orders.
- (3) In this section:
Commonwealth credit card means a credit card issued to the Commonwealth to enable the Commonwealth to obtain cash, goods or services on credit.

Q 3: The Card Issuing Officials are responsible for maintaining a record of the details of all credit cards issued and of credit cards that are cancelled or reported as lost or stolen. Management reports on credit cards issued, cancelled etc, provided by the card company are sufficient for this purpose. The Card Issuing Official is also required to monitor the usage of individual credit cards to confirm the ongoing need for them and recommend to the CFO the cancellation of under utilised credit cards. Card holders are also provided with periodic statements for endorsement, and where appropriate endorsement by the cardholder's supervisor.

Q 4: If there is a misuse of a corporate credit by an ANAO staff member it must be immediately reported to the CFO, or the Executive Director Corporate Management Branch, who will take the appropriate action as outlined in ANAO's handling of breaches and the APS Code of Conduct and Procedures.

Q 5: There have been no instances of corporate credit card misuse in the 2010-11 financial year.

Q 6: All staff members that are issued with a ANAO corporate credit card must first read the procedural rules for the 'Use of Credit cards' which makes up the Auditor-General's Instructions and Procedural Rules. Prior to handing over the credit card the Card Issuing Officials ensure that they read and sign the cardholder agreement and acknowledgement of the receipt of credit card which outlines their responsibility of being a card holder. The Card Issuing Officials also ensures that the Cardholder has been briefed on the requirement for financial delegation (ie approval to have been made) before use of the credit card and must ensure that Cardholders are appropriately briefed or receive training in the use of the credit card, including induction courses. Staff complete a Certificate of Compliance three times per year.