

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

Prime Minister and Cabinet Portfolio

Department/Agency: Office of the Commonwealth Ombudsman
Outcome/Program: Office of the Commonwealth Ombudsman
Topic: Credit Cards

Senator: Senator Ryan

Question reference number: 155

Type of question: Written

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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:

1. Forty-four people have credit cards in the office. The classification of staff who have corporate credit cards range from the ASP3 level up to the Commonwealth Ombudsman.
2. The office will investigate any suspected misuse. Actions include:
 - refer offenders to appropriate agencies where necessary
 - seek civil, administrative or disciplinary penalties where appropriate
 - recover proceeds of fraudulent activity.
3. Card use is monitored in a number of ways:
 - all credit card holders are required to reconcile their credit card statement monthly which includes providing invoices or receipts supporting the transaction and having the statement signed by their supervisor
 - the finance section reviews all credit card statements to ensure they are completed and that the amount on the statement and amount paid to the bank agree
 - the office undertakes an annual review of credit card use to ensure a credit card is needed by the official and that the transaction and monthly limits are appropriate
 - the bank advises the office if transactions have been rejected and will put a hold on the card if they suspect unauthorised use.

4. Once misuse of a corporate credit card is suspected CFO is notified. Where appropriate the cardholder is notified and the credit card is cancelled. If there is suspected fraud, the office will conduct an investigation. Actions from misuse of credit cards were answered in #2.
5. In the last financial year there has been no misuse of the corporate credit card by staff discovered.
6. Actions to prevent misuse of corporate cards include:
 - the office's Chief Executive's Instructions provide specific guidance to staff on credit card issue and usage.
 - credit cards are only issued to staff based on an identified need which must be agreed by the chief financial officer prior to issue
 - all credit card holders are required to sign on obtaining a card and annually thereafter a form detailing the conditions of use for the credit card
 - all credit card holders are required to reconcile their credit card statement monthly which includes providing invoices or receipts supporting the transaction and having the statement signed by their supervisor
 - the finance section reviews all credit card statements to ensure they are completed and that the amount on the statement and amount paid to the bank agree
 - the office undertakes an annual review of credit card use to ensure a credit card is needed by the official and that the transaction and monthly limits are appropriate
 - the bank advises the office if transactions have been rejected and will put a hold on the card if they suspect unauthorised use
 - credit cards are cancelled promptly when an officer leaves the office.