

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates 17-20 October 2011

Prime Minister and Cabinet Portfolio

Department/Agency: arts portfolio agencies

Outcome/Program: various

Topic: Credit Cards

Senator: Senator Ryan

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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:

The Australia Council

1. 30 staff members from across the Australia Council's divisions have corporate credit cards. Staff members who are required to commit the Council to expenditure and approve payments, and who have delegation to do so may be issued with a credit card. Cardholders include:
 - Leadership Team members
 - Regionally based Managers for Artsupport Australia
 - Staff members with specific procurement responsibilities
2. If misused by staff member – staff member notified and reimbursement sought. May become a misconduct issue. If misuse by other means – bank notified and card cancelled.

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3. Monthly statements reconciled, expenditure supported by receipts and then authorised by staff members manager.
4. If misused by staff member – staff member notified and reimbursement sought. May become a misconduct issue. If misuse by other means – bank notified and card cancelled.
5. Nil
6. When issued with a credit card staff are provided with the Australia Council's credit card policy. Misuse of the card through a breach of this policy will result in action being taken under the Code of Conduct Policy, Work Practices Agreement.

National Film and Sound Archive (NFSA)

1. There are 51 Corporate Credit Card holders. The approval process is applied on a case-by-case basis, not by APS level or position.
2. The NFSA would follow the action plan outlined in the Internal Corporate Credit Card Policy.
3. The use is monitored by the Finance Branch, reviewing transactions, tax invoices and reason for expenditure. The acquittals are signed by cardholder and manager within financial delegations.
4. The NFSA will follow the guidelines outlined in its Internal Corporate Credit Card policy.
5. Nil
6. The cardholder signs an acknowledgement form outlining use of corporate credit card and the Finance Branch applies continual monitoring of all transactions.

National Gallery of Australia (NGA)

1. There are 91 credit cards across all levels of staff in the NGA. All Gallery credit cards are issued in accordance with the agency's credit card policy. Staff who incur expenditure on behalf of the NGA are entitled to a credit card.
2. The matter is investigated and reported to the NGA Executive. Where action is recommended it is considered by NGA Executive in line with the NGA's Policy on Credit Cards and Fraud Control Policy.
3. Each credit card holder must acquit and approve expenditure on a monthly basis. Each monthly acquittal is required to be reviewed and approved by the credit card

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holder's supervisor. The acquittal is provided to the Finance Section for review and processing.

4. Under the NGA's Policy on Credit Cards and Fraud Control Policy the matter is investigated and appropriate action is taken. The breach of policy is reported in the bi-annual Certificate of Compliance.
5. Yes. Two instances of misuse were reported in the recent Certificate of Compliance. The matters were minor and the cardholders were reminded of their responsibilities under the Credit Card Policy.
6. All Credit Card holders must sign a Credit Card Holder Agreement detailing their responsibilities, ongoing education, and monthly review.

National Library of Australia

1. The Library currently has 23 Australian Government Purchase Cards (AGPC) issued to staff either involved in procurement activities or undertaking significant work related travel. Staff issued with an AGPC are required to hold both a delegation to approve expenditure and a delegation to use an AGPC. Currently the levels of staff issued with an AGPC are as follows: Director General: 1; Senior Executive Service Level 1: 3; Executive Level 2: 3; Executive Level 1: 9; Australian Public Service Level 6: 5; Australian Public Service Level 5: 1; and Australian Public Service Level 4: 1.
2. Under the Library's Fraud Policy a report would be prepared for the Director-General. The Director-General would then decide if the matter would be referred to the Australian Federal Police. In all cases following an investigation appropriate recovery action would be undertaken and any necessary disciplinary action considered.
3. On a monthly basis transactions are reviewed by the cardholder's supervisor and as part of the Library's internal audit program use of the AGPC has been subject to several reviews.
4. As per question 2.
5. Nil
6. All cardholders receive training prior to the AGPC being issued. Adequate procedures and systems are in place to reduce the risk of AGPC misuse e.g. transactions are subject to review by supervisor; transactions are required to be supported with appropriate documentation; and as part of the Library's internal

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audit program consideration is given to whether AGPC transactions will be subject to Internal Audit review.

National Museum of Australia

1. Nine: APS4; APS5; APS6; EL1; SESB1; SESB2
2. Action can include civil and criminal penalties depending on the circumstances.
3. All credit card transactions are reviewed by the credit card holder's supervisor.
4. Action can include civil and criminal penalties depending on the circumstances.
5. Nil
6. The Museum has a comprehensive fraud control framework in place and specific policies on the use of corporate credit cards.

Screen Australia

1. 31 Staff currently have a credit card. Classifications are; SA6; SA5; EL2; EL1; SES1; SES2; CEO; Chair
2. The matter must be immediately referred to the Senior Financial Accountant who must investigate and report back to the Chief Finance Officer (CFO) within 24 hours. All action must be documented and depending on the circumstances surrounding the misuse (fraud, non compliance with policy etc) appropriate action will be undertaken. In the case of fraud, action will be taken in accordance with the Screen Australia's Fraud Policy.
3. All corporate cards require the cardholder and their manager's signed authorisation, is reviewed monthly by the CFO and accounts team and periodically reviewed by the internal auditor.
4. It will be reported to the Senior Financial Accountant who will take appropriate action in accordance with procedures outlined in question 2 above.
5. Nil
6. The card is monitored in accordance with procedures outlined in question 3 above, and cardholders are required to sign a declaration upon the card being issued.