

1. Unsubmitted corporate credit card transactions are identified on the Paid in Absence report:

- The report represents transactions identified in the Electronic Credit Card Management System (through the banking process) that have not yet been submitted by the cardholder for verification.

- An extract of the Paid in Absence report for agencies was provided to the Public Accounts Committee by the Auditor-General in May 2008 for the period ending 30 April 2008.

- For consistency the information has been provided as at the same date for the 2007 and 2009 years.

2. Agencies will always have some transactions classified as unsubmitted in the Management System. This reflects normal transaction cycles.

The updated Whole of Government Credit Card Policy requires cardholders to submit transactions within one week of being identified in the Management System. This has reduced periods where transactions are classified as unsubmitted.

The Paid in Absence report provides a key internal control by identifying unsubmitted transactions, which enables follow-up action by cardholders where necessary.

3. All transactions for DBE and the previous agencies of DCIS and DBERD recorded in the above table have been submitted, verified and accounted for appropriately.

Following the formation of DBE and noting the adverse comments from the Auditor-General's 2007-08 review of credit cards processes in ex DBERD, measures have been put in place in the new DBE agency to tighten and improve credit card controls. These measures include reducing the number of cards, and instituting a central verification role, where all transactions are independently scrutinised.

4. The Treasurer's Directions Section C3.3: Corporate Credit Cards provides:

“As a minimum agencies are to use Corporate Credit Cards for all:
· purchases up to or equal to \$500.00 (GST inclusive)”

The Treasurer's Directions specifies that transactions \$500.00 and below must be paid using Corporate Credit Card. There is no upper limit specified for credit card transactions. A number of common transactions particularly lend themselves to payment by credit card, for example conference fees, air fares and hotel bookings for official travel. These transactions often exceed \$500 and are legitimately paid via credit card.

5. Use of the Corporate Credit Card is only a means of payment. Appropriate procurement processes must be undertaken and approved prior to a Corporate Credit Card being used.

The Treasurer's Directions further provides:

“All purchases made using a Corporate Credit Card are to be in accordance with the Financial Management Act, Procurement Act and the Corporate Credit Card Policy and Procedure Guidelines.”