



# Council Policy Manual

## WEST WIMMERA SHIRE COUNCIL

| COUNCIL POLICY                                      |   |
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| <b>CORPORATE CREDIT &amp; PURCHASE CARDS POLICY</b> | Policy No:  |
|   | Adopted by Council: 16 December 2020  |
|   | Next review date: December 2023   |
| Senior Manager:                                     | Director Corporate & Community Services   |
| Responsible Officer:                                | Finance Coordinator   |
| Functional Area:                                    | Finance   |
|   |   |
| <b>Introduction &amp; Background</b>                | <p>The usage of Corporate Credit/Purchase Cards (the card) is an alternative method of payment intended for purchases for which the use of Council's regular purchasing and creditor payment system is not appropriate.</p> <p>All purchases are to be in accordance with these guidelines.</p> <p>Credit cards can provide a convenient and efficient means of expediting the purchase process and reducing the internal costs involved to process a transaction. Credit cards are not a convenient alternative to seek reimbursement.</p>   |
| <b>Purpose &amp; Objectives</b>                     | <p>The purpose of the policy is to provide clear guidance on the use of all West Wimmera Shire Council Corporate Credit and Purchase Cards.</p> <p>The objectives of this Policy are:</p> <ul style="list-style-type: none"> <li>• To have clear guidelines for usage of West Wimmera Shire Council Corporate Credit/Purchase Cards;</li> <li>• To provide guidance on how a breach of the policy will be managed; and</li> <li>• To ensure purchases made via the card have appropriate internal controls and comply with the Council's Procurement Policy.</li> </ul>   |
| <b>Definitions</b>                                  | <p><b>Corporate Card:</b> A Corporate Card includes a credit or debit card issued by Council's banker and specific supplier purchase cards.</p> <p><b>Cardholder:</b> Refers to the Officer or Mayor whose name appears on the Corporate Credit/Purchase Card and is responsible for providing a clear audit trail.</p> <p><b>Authorising Signatory:</b> In most circumstances, the authorising signatory will be the direct supervisor of the cardholder as per the financial delegations within Council's Instrument of Delegation. If the direct supervisor does not have the financial delegation, the next supervisor up line with the necessary delegation will be the authorising signatory.</p> |



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|                       | <p><b>Program Administrator:</b> The person assigned by the CEO under to be responsible for the administration of purchasing and credit cards within Council, typically the Finance Coordinator.</p> <p><b>Tax Invoice:</b> Proof of payment containing the following information:</p> <ul style="list-style-type: none"> <li>• The supplier’s ABN</li> <li>• The name of the supplier</li> <li>• GST Inclusive price of the taxable supply</li> <li>• The words ‘Tax Invoice’</li> <li>• The date of issue, and</li> <li>• A brief description of each item supplied</li> </ul> <p><b>Personal use:</b> Any purchase intended for personal use and any items not normally provided to an Officer or Mayor in the course of their daily functions with Council.</p> <p><b>Unauthorised use:</b> Any instance of non-compliance with Councils policy or procedure by the cardholder or as a result of the card being lost or stolen or because of fraud.</p> |
| <b>Policy Details</b> |   |
| <b>1.</b>             | <p><b>Scope of the Policy</b></p> <p>This policy applies to all West Wimmera Shire Council Officers and Mayor who have been issued with a West Wimmera Shire Council Corporate Credit/Purchase Card.</p> <p>Cardholders and their Managers are responsible for adherence to this policy, ensuring internal control procedures are followed in order to reduce the risk of fraudulent or inappropriate use of Corporate Credit/Purchase Cards.</p>   |
| <b>2.</b>             | <p><b>Relationship with other Council Policies</b></p> <p>All purchases made on Council Credit/Purchase Cards shall comply with the following Council policies:</p> <ul style="list-style-type: none"> <li>• Procurement Policy</li> <li>• Fraud &amp; Corruption Control Policy</li> <li>• Staff Code of Conduct (West Wimmera Shire Council Officers)</li> <li>• Councillor Code of Conduct (Mayor)</li> </ul>  |



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| <b>3.</b> | <b>Inappropriate transactions</b> <ul style="list-style-type: none"><li>• Expenditure of a personal or private nature</li><li>• Cash advances of any nature</li><li>• Purchase of fuels for vehicles where the fuel card should be used, except for emergency situations</li><li>• Payment of a monthly statement or invoice received from a supplier where the transactions are usually paid by accounts payable</li><li>• Any item classified as a capital purchase</li><li>• Payment of personal fines and penalties</li><li>• Payment for any personal subscriptions or memberships to associations, unless authorised by an appropriate manager, director or CEO.</li><li>• Payment for travel, training, conferences or courses unless authorised by an appropriate manager, director or CEO.</li><li>• Incidental costs such as meals and drinks unless the officer is engaged in Council duties such as meetings or workshops</li><li>• The purchase of alcohol (except where incidental to consuming a meal)</li><li>• Splitting purchases to avoid the Procurement policy requirements</li><li>• Tips and gratuities</li><li>• Transactions when on leave</li><li>• Purchase of gifts and/or gift cards</li><li>• Medical costs related to employment i.e. doctors, physiotherapists, ambulance etc.</li><li>• Pay for an expense when reimbursement has been made (or will be made) to the cardholder for that same expense (for example, travel expenses)</li></ul>                |
| <b>4.</b> | <b>Card Usage and Limits</b> <p>As a guide, credit cards should be used:</p> <ul style="list-style-type: none"><li>• When a purchase order will not be accepted by a supplier</li><li>• When immediate payment is required to secure the goods/services</li><li>• When it is a one-off purchase from a supplier</li><li>• Where alternative payment options (ie. bank transfer, cheque or BPay) are not offered by the supplier</li><li>• For small value transactions where the cost of processing through Accounts Payable is likely to exceed the cost of the original transaction.</li></ul> <p>Credit/purchase cards are not to be used by persons other than the cardholder. It should never be handed to another staff member to use on your behalf, and if this occurs, it may result in disciplinary action including suspension and or cancellation of the card.</p> <p>Each cardholder is assigned an individual monthly credit limit based on their purchasing needs. A credit limit can be re-evaluated by written request submitted to the program administrator and CEO. Cardholders and card limits are to be reviewed annually by the senior management team and approved by the CEO.</p> <p>A register of credit cards issued and returned is to be kept and regularly maintained by the finance team. This register shall, at a minimum, include details of limits, issuance date, authorised signatory, and date their cardholder agreement was last signed/re-signed.</p> |



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|           | <p>Each card has a maximum transaction limit of \$1,000 per supplier, per day, unless a different limit is approved by the CEO. All other purchases over \$1,000 should be processed on a Purchase Order through Authority.</p> <p>Each cardholder is authorised to use no more than one card for each facility type (i.e. AMEX, Mastercard/Visa etc).</p>   |
| <b>5.</b> | <b>Authorisation and Issue of Credit/Purchase Cards</b> <p>The initial application for a credit/purchase card is to be approved by the Director of the employee and the CEO. The application request must be in writing, then forwarded to the program administrator for action.</p> <p>Only employees and Councillors are eligible to be issued a credit/purchasing card. To be eligible, an employee must:</p> <ul style="list-style-type: none"><li>• Occupy a position that has a regular and demonstrated need to purchase goods and services for use; and/or</li><li>• Hold the Employee Procurement Authorisation level to commit or incur expenditure; and</li><li>• Be able to satisfy a card provider “100 Point” identification check; and</li><li>• Be willing to accept and abide by the conditions of use and comply with relevant City governing documents; and</li><li>• Complete Corporate Purchasing Card training.</li></ul> <p>Upon issuance of a credit/purchase card, the employee must immediately sign the back of the card.</p> |
| <b>6.</b> | <b>Withdrawal of Credit/Purchase Cards</b> <p>Credit/purchase cards are cancelled at the discretion of the relevant director, Program Administrator or the CEO.</p> <p>Credit/purchase cards are not to be retained by cardholders:</p> <ul style="list-style-type: none"><li>• during periods leave for periods of greater than two weeks;</li><li>• upon termination or resignation of employment;</li><li>• if the cardholder is reassigned to a position where the use is not warranted/approved;</li><li>• the card is insufficiently utilised (less than 12 transactions per year);</li><li>• failure to reconcile the statements within the required timeframe;</li><li>• failure to return the completed statement to the finance team within the required timeframe;</li><li>• significant or systemic non-compliance with the policy; or</li><li>• any other reason as determined by the senior management team.</li></ul> <p>The cards must be returned to the finance coordinator for safekeeping or cancellation.</p>                       |



### 7. Roles and Responsibilities

#### 7.1 Mayor and Councillors

The mayor and/or Councillors are responsible for reviewing the credit card transactions, typically via the audit committee. The Mayor may review the CEO's credit card transactions on a monthly basis.

#### 7.2 Audit Committee

The audit committee are responsible for reviewing the credit/purchase card transactions of all cardholders, in particular the transactions of any Councillor and the CEO, on a quarterly basis.

#### 7.3 Chief Executive Officer

The CEO is responsible for reviewing and approving the credit/purchasing card transactions of the Mayor (and other Councillors where applicable). The CEO is also responsible for the following:

- Ensure cardholders and authorised signatories are aware cards are to be used for official business purposes only
- Assign a program administrator to manage the credit/purchase card program
- Assign authorised signatories to review and approve transactions and payments
- Ensure the efficient, effective and appropriate use of the credit/purchase card facility
- Ensure internal controls are maintained for the issue, use and acquittal of the purchase cards to prevent unauthorised use and non-compliance
- Set individual transaction limits and overall cardholder limits
- Review all instances of unauthorised use and non-compliance. They must also report any significant or systemic non-compliance to the audit committee, police and/or IBAC as applicable
- Determine the appropriate disciplinary action for non-compliance
- Approve the issuance and/or withdrawals of credit/purchase cards.

#### 7.4 Program Administrator

The Program Administrator is responsible for:

- Issuing of Corporate Purchasing Cards and maintaining a register of all cards
- Conducting "100 Point Identification check" as required
- Assisting Cardholders with disputed transactions
- Forwarding appropriate documentation to the Bank
- Investigating reports of suspected or known breaches of procedures
- Arranging prompt cancellation or suspension of credit cards as applicable
- Ensuring cardholders and authorised signatories are provided the appropriate training, and agreements are updated as applicable, and ensuring cardholders acknowledge and agree with the responsibilities, liabilities and consequences of unauthorised use, and understand the policies and procedures established for card use
- Reviewing and updating the credit card policy and procedures as applicable



- Ensure cardholders have the appropriate financial delegation prior to issuance of the card
- Ensuring monthly reconciliations and reviews are completed in a timely manner
- Investigating all instances of unauthorised use and non-compliance, and reporting such instances to the CEO
- Issuing non-compliance notices to cardholders in regard to unacceptable use or non-compliance
- Reporting on credit card data to the audit committee on a quarterly basis
- Ensuring all records are available for audit
- Maintain a register of cardholders, limits etc
- Annually assess the requirement for ongoing issue of the card to current cardholders including limits and types of expenses

### **7.5 Authorised Signatories**

When approving purchases, authorised signatories should scrutinise the purchases as if they were made through the mainstream procurement and payment systems. For example, are they for official purposes, appropriate for business use, have goods and services been received and is there sufficient supporting documentation. Authorised signatories are responsible for:

- Completing a detailed monthly review of cardholder transactions within 5 days of receiving a reconciled credit card statement from a cardholder, to ensure the expenditure is in accordance with the policy and account coding for the financial reporting is appropriate
- Reporting any potential non-compliance with the policy to the program administrator

### **7.6 Cardholders**

Cardholders must always act in the best interest of Council (as opposed to personal interests of convenience), and perform their duties honestly and with skill and care. Where cardholders are unsure about a potential conflict of interest, the cardholder should refer to Council's relevant policies and discuss the purchase with the CEO. When it is unclear whether a purchase is for official/acceptable purposes, for example the purchase of gifts or flowers for staff who are leaving the organisation or are ill, they must take advice from their authorised signatory before incurring the expenditure. Cardholders are responsible for:

- Safe keeping of the credit/purchase card, including card details and security PIN
- Promptly informing the program administrator if the card is lost or stolen, or if the cardholder suspects any unauthorised use or transactions
- Ensuring they are present for all purchases on their credit/purchase card
- Reporting any disputed transactions to the program administrator and the bank immediately and ensure prompt resolution
- Signing the card immediately upon receiving it
- Ensuring the card is used only by the cardholder, and within the approved limits
- Returning the card to the finance team as required by section 6.
- Maintaining appropriate supporting documentation to verify the nature and amount of each transaction
- Where supporting documentation is lost, the cardholder must complete a statutory declaration confirming the nature and amount of the transaction





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|           | <ul style="list-style-type: none"> <li>• Ensure month end reconciliations are completed and passed onto their authorised signatory within 5 business days of receiving the statement from the finance team. Refer to the Credit Card Procedure for further information on the monthly reconciliation procedures</li> <li>• Ensuring there is adequate description on the monthly reconciliation to support the purpose of the transaction, particularly with regards to any travel or entertainment related expenses (i.e. meals, accommodation etc)</li> <li>• Ensure account coding for input into the finance system</li> <li>• Sign the credit/purchase card upon receiving it, and signing the monthly statement and reconciliation to verify the expenses are for business purposes only.</li> </ul>  |
| <b>8.</b> | <p><b>Training Requirements</b></p> <p>Each cardholder and authorised signatory will be trained in this policy and the related procedure upon issue of the corporate credit card. Each cardholder will be required to acknowledge their understanding of the policy and responsibilities by way of a formal credit card agreement. Each authorised signatory will acknowledge their responsibilities by way of a formal authorised signatory agreement.</p> <p>When the policy is reviewed and updated, each cardholder and authorised signatory is required to be provided training on the updated policy, and must re-sign their cardholder/signatory agreement.</p>  |
| <b>9.</b> | <p><b>Breaches of Policy</b></p> <p>The card is to be used in accordance with Council Policies and any deliberate misuse of the card will be considered a breach of Council responsibilities and will result in disciplinary action:</p> <ul style="list-style-type: none"> <li>• The first non-compliance notice will result in a suspension of the card for one week</li> <li>• The second non-compliance notice will result in a suspension of the card for one month</li> <li>• The third, and final, non-compliance will result in cancellation of the card.</li> </ul> <p>Further disciplinary action may also be taken as determined by the CEO.</p> <p>If a cardholder inadvertently incurs private expenses, for example, as part of a larger official business purpose transaction, the cardholder must notify the administrators and reimburse Council for all such private expenses as soon as practicable, unless:</p> <ul style="list-style-type: none"> <li>• The unauthorised use is due to a Corporate Credit/Purchase Card being lost/stolen (provided the cardholder to adequate measures to prevent the card from being lost or stolen); or</li> <li>• The use is the result of fraud on the part of a third party (such as a merchant).</li> </ul> <p>In all cases of misuse, the Council reserves the right to recover any money from the cardholder by whatever legal means are available.</p> |



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|            | <p>Any deliberate misuse of the card, or systemic non-compliance, may also result in termination of employment. Additionally, any breaches may be reported to the Police or to the Independent Broad-based Anti-corruption Commission (IBAC) as necessary.</p>   |
| <b>10.</b> | <p><b>Other Matters – Security</b></p> <p>The security of credit cards is paramount. Cardholders must take all due care to ensure safe keeping of the credit/purchase card, including card details and security PIN. Cardholders must ensure there are adequate procedures in place for the storage and use of their card. Under no circumstance shall the cardholder allow the credit card to be photocopied.</p> <p>Cardholders must not provide the card, or a copy of the card, or the credit card details to someone other than the cardholder to allow purchases to be made without the cardholder present.</p> <p><b>Review and Update</b></p> <p>The credit and purchase card policy is to be reviewed at least every three years, unless circumstances are identified requiring a review and update to the policy.</p> <p><b>Emergency Details</b></p> <p>Should a card be lost, the cardholder is responsible for informing the program administrator to allow the card to be cancelled or suspended. Contact details are below:</p> <p style="padding-left: 40px;">Program Administrator: Finance Coordinator<br/>Emergency Phone Number: (03) 5585 9927</p> <p>The Program Administrator is responsible for contacting the bank to organise suspension and/or cancellation of the card</p> <p style="padding-left: 40px;">Bank: National Australia Bank – Commercial Cards Centre<br/>Emergency Phone Number: 1800 033 103 (24 hours, 7 days a week)</p> <p><b>Significant Losses</b></p> <p>For the purposes of this policy, the value threshold above which an actual or suspected fraud, corruption or other loss in relation to credit cards is significant and reportable is \$500.</p> <p><b>Auditing</b></p> <p>Each month the Cardholder will submit their Corporate Credit Card monthly statement to their authorised signatory who will review their purchases prior to submitting the statement to the finance team for processing. The Council’s internal and external auditors may audit credit/purchasing card transactions at any time.</p> |





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|                   | <p><b>Personal Rewards</b></p> <p>Cardholders are not permitted to tender personal rewards cards (e.g. “Fly Buys” cards) to accumulate points for personal use.</p> <p><b>Records Management</b></p> <p>The Records Management team is responsible for retaining all documentation associated with assigned credit/purchase cards including but not limited to applications and receipts for all transactions.</p> <p><b>Emergency Management</b></p> <p>Circumstances sometimes arise that require Council to invoke its Business Continuity Management Plan. In these instances, Council officers need to offer responsive support to the community and special provisions will apply. In order to assist officers in an emergency management situation, the Chief Executive Officer has the discretion to increase cardholder’s credit limits should this be considered necessary. The program administrator will increase the credit limit on individual cardholders within the limits of Council’s overall facility limit and the cardholder’s financial delegation.</p> |
| <p><b>11.</b></p> | <p><b>Supporting Documentation</b></p>  |
|                   | <p>All expenditure incurred on Credit/Purchasing Cards shall be supported by a tax invoice or receipt in compliance with the requirements of the <i>A New Tax System (Goods and Services Tax) Act 1999</i>. If the tax invoice or receipt is lost or otherwise unobtainable, then a Statutory Declaration must be completed and signed by the cardholder. A legible copy of the Supporting Documentation must be scanned and attached to the expense as part of the monthly reconciliation process.</p> <p>A tax invoice must be requested for every purchase; an EFTPOS receipt is not a tax invoice &amp; is not sufficient supporting documentation.</p> <p>When completing the monthly reconciliations, where a transaction has been made from a restaurant, hotel, motel or any other food and beverage providing business, cardholders must provide appropriate information to allow the finance team to split expenditure as required for Fringe Benefits Tax (FBT) purposes. Limits are reviewed and set by the ATO each year.</p>                                    |
| <p><b>12.</b></p> | <p><b>Human Rights Statement</b></p>  |
|                   | <p>It is considered that this policy does not impact negatively on any rights identified in the Charter of Human Rights Act. WWSC is committed to consultation and cooperation between management and employees. The Council will formally involve elected employee Health and Safety Representatives in any workplace change that may affect the health and safety of any of its employees.</p>  |



### Appendix B – Cardholder Agreement

#### Credit Card Cardholder Agreement

Cardholder name:

Position:

Accountable Officer: Chief Executive Officer

Authorised Signatory: <Position title of supervisor/reviewer>

Administrator: Finance Coordinator

I understand and agree that the Purchasing Card is issued to me on the express understanding that I will, at all times, comply with the following conditions:

#### Use

- 1) The purchasing card is the property of West Wimmera Shire Council and is in my possession and under my strict control.
- 2) I will not permit the purchasing card to be used by any person other than myself.
- 3) I will only use the purchasing card for official purposes.
- 4) I will immediately report any suspected or known unauthorised use of the purchasing card to the card provider and the program administrator.
- 5) I will not use the purchasing card to pay for expenses that have already been claimed (or will be claimed) by any form of allowance or reimbursement.
- 6) I will not use the purchasing card to pay for tips or gratuities, except in countries other than Australia, to the minimum extent expected in accordance with common practice in the country.
- 7) I will not use the purchasing card to obtain cash, except for prepaid debit cards, where cash may only be obtained if the CEO has authorised the use of the card for this purpose.
- 8) I can use the purchasing card to a maximum limit of \$1,000 in any one transaction and to a maximum monthly limit of \$ <Card Limit>.
- 9) My use of the purchasing card is subject to the following restrictions on transaction types (specify):
  - <Complete as applicable for individual cardholder>.
- 10) I will not split transactions on the purchasing card to avoid exceeding purchasing card transaction limits.
- 11) I hold a financial authorisation that is at least equivalent in value to the transaction limit in 8 above. For any transactions exceeding my level of financial authorisation, I will obtain approval from the appropriate officer as per the Procurement policy requirements prior to making the purchase.
- 12) I understand that purchasing information may be periodically reviewed by management, the audit committee, internal audit and/or Council.



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### Transaction/monthly reconciliation

- 13) I will be issued with a monthly statement by the card provider. I will ensure that all transactions that appear on the monthly statement are verified by me and that a tax invoice/receipt is attached to the monthly statement when it is submitted for approval. In the absence of a tax invoice/receipt, I will complete and sign a Statutory Declaration to verify the transaction. I will ensure that goods or services paid for using the purchasing card are actually delivered or provided. I will ensure that each transaction appearing on the card provider's statement is appropriately coded for accounting purposes.
- 14) I will sign the monthly statement provided by the card provider to indicate that the transactions being paid by the Council have been made only for official purposes and return to the finance department for processing within the requested timeframe.
- 15) I will ensure that credits are requested in relation to transactions made using the purchasing card as soon as I become aware of the need for a credit, for example, where a good or service is not delivered or not provided in accordance with original expectations.

### Change in cardholder details

- 16) I will immediately advise the program administrator of any change in my name or contact details.

### Upon resignation or transfer

- 17) I will immediately return my purchasing card to the program administrator if I resign or retire, or if my services as an employee of the Council are otherwise terminated, or if I am instructed to do so by the Accountable Officer or the program administrator.

### Lost or stolen cards

- 18) I will immediately report the loss or theft of my purchasing card to the card provider and the program administrator.

### Declaration

- 19) I confirm that I have access to only one purchasing card.
- 20) I acknowledge reading and understanding the WWSC Credit Card Policy and Procedure.
- 21) I have been briefed on all aspects of the operation and use of the purchasing card.

Cardholder Signature \_\_\_\_\_

Date \_\_\_\_\_

Accountable Officer Signature \_\_\_\_\_

Date \_\_\_\_\_

Authorised Signatory Signature \_\_\_\_\_

Date \_\_\_\_\_



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| <b>Policy Adopted:</b>  | Ordinary Meeting 18/06/15 | Minute Book Page 30667 | RecFind 15/002612  |
| <b>Policy Reviewed:</b> | Ordinary Meeting 16/05/18 | Minute Book Page 37956 | RecFind 18/001838  |
|                         | Council Meeting 16/12/20  | Minute Book Page       | RecFind E20/000398 |
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