



Policy

92 CORPORATE CREDIT CARDS

Version 01

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Responsible Officer: Director Corporate Services

1. POLICY STATEMENT

The use of a Corporate Credit Card can be an efficient procurement method for the Council, saving the Council time and money. Additionally, some services and suppliers, such as booking flights, accommodation and online subscriptions mandate use of a credit card.

Credit cards must be subject to appropriate controls in order to protect Council funds, maintain the integrity of governance processes and maintain public confidence in Council operations. The Council is obliged to maintain an effective system of internal control, in accordance with the Local Government (General) Regulation 2005 to address the significant risks of fraud and misuse of corporate credit cards.

2. PURPOSE

The purpose of this policy is to ensure that Berrigan Shire Council is able to make use of the procurement efficiencies associated with the use of a Corporate Credit Card while maintaining transparency in the Council's operations and ensuring that the integrity of the Council is maintained.

3. SCOPE

This policy applies to all officials of Berrigan Shire Council with responsibility for the use or administration of a Corporate Credit Card.

4. OBJECTIVE

This policy is developed to assist the Council with Delivery Plan Objective 2.1.3.1



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Coordinate Council investments, financial management, financial operations and processing

5. DEFINITIONS

Cardholder – A Council official issued a Corporate Credit Card

Corporate Credit Card – A plastic card, containing a magnetic strip or microchip, issued by an authorised Financial Institution that allows the extending of credit for the purchase of goods and services or cash advances, by authorised cardholders, within the agreed terms and conditions of its use

Council official – A Councillor or employee of Berrigan Shire Council

6. POLICY IMPLEMENTATION

6.1 Issuing

The Mayor or the Councillors will not be issued with Corporate Credit Cards.

The General Manager will be issued with a Corporate Credit Card, made out in his/her name. The credit limit will be set by the Responsible Accounting Officer.

Only the General Manager can authorise the issue of additional cards to Council employees and the credit limits to be applied.

Each credit card issued shall bear the name of the cardholder and the name of Berrigan Shire Council.

Corporate Credit Cards are issued to the position not the person. They are not a personal benefit that comes with the job but a Council resource.

6.2 Responsibilities

Cardholders are responsible for:

1. Ensuring credit cards are maintained in a secure manner and guarded against improper use.
2. Reporting immediately any card that is lost, stolen or otherwise compromised to the card issuer and the Responsible Accounting Officer.
3. Ensuring cards are used only for official business purposes
4. Ensuring adequate funds are available to cover expenditure before it is incurred



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5. Ensuring expenditure is approved by a Council official with an authority to incur expenditure
6. Retaining and promptly submitting all documents (i.e. invoices receipts, etc.) supporting transactions on the card
7. Returning the card to the Council upon termination of employment
8. Using the credit cards within the guidelines set out by the Council and the provider.

Failure to comply with any of these requirements could result in the card being withdrawn from the Council official.

In the event of loss/theft through negligence or non-compliance with these requirements, any liability charged by the provider against the Council may be passed onto the Council official. In addition, disciplinary action may be taken against the Council official in line with the provisions of the Local Government (State) Award and/or the Council's Code of Conduct.

6.3 Usage

The use of a Corporate Credit Card is required to be consistent with the letter and the spirit of the Council's Code of Conduct and the Council's Procurement and Disposal Framework.

In line with the Council's Procurement Framework, the cardholder is responsible for ensuring all transactions made on the card are made in the best interests of the Council and the community.

6.3.1 Permitted use

Credit Cards provide an option for purchasing and payment when access to Council's online purchasing system is not available.

The use of Credit Cards is not intended to avoid the application of existing internal controls. Credit Card transactions are to be for "one off" purchases or payments where time is of the essence or Credit Card is the only accepted method of payment.

Credit Cards provide flexibility to make purchases in the following circumstances.

- Outside business hours when a council purchase order cannot be obtained.
- When employees are working outside the Shire and purchase orders are not available.



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- When Credit Card is the only acceptable means of payment such as online purchasing of travel and accommodation.

6.3.2 Prohibited use

The Corporate Credit Card cannot be used to obtain cash advances – other than in the case of a genuine emergency. The onus is on the cardholder to justify any cash advance to the satisfaction of the Council.

Charging personal transactions to Corporate Cards is not acceptable – other than in the case of a genuine emergency. The onus is on the cardholder to justify any personal transactions to the satisfaction of the Council.

Reimbursement for return of goods and/or services must be credited directly to the Card account and not to the cardholder in the form of cash or credit.

The Corporate Credit Card must not be linked to any personal loyalty program such as frequent flyer programs and the like.

Deliberate misuse of a Corporate Credit Card will be treated as a breach of the Council's Code of Conduct. In addition, deliberate misuse will be reported to relevant authorities in line with the Council's Fraud Control Policy.

6.4 Administration

6.4.1 Cardholder

The cardholder must formally acknowledge in writing his/her issue of the card and the obligations set down in this policy and any associated procedures.

If a Cardholder uses their card to make a purchase, the Cardholder must:

1. Produce their card to the supplier of the goods or services to be purchased;
2. Ensure the correct particulars are recorded on the sales voucher prior to signing the voucher;
3. Retain the copy of the sales voucher given by the supplier;
4. Obtain and retain a tax invoice

Where a purchase is made online or by telephone, a sales voucher and tax invoice shall be printed for retention or forwarded to Council by the vendor.



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6.4.2 Others

The Responsible Accounting Officer must maintain a record of all cards issued, including the name of the cardholder and the credit limit.

The Responsible Accounting Officer is to verify and sign off that all transactions on the statement are incurred on behalf of the Berrigan Shire Council. The authorisation is to ensure the transactions are business related and the cardholder has supplied supporting documentation. Any unusual transactions must be followed up with the cardholder immediately.

At the request of the Council, by resolution, the General Manager will commission the Council's External Auditor to undertake a specific audit of the Council's Corporate Credit Card transactions.

7. RELATED LEGISLATION, POLICIES AND STRATEGIES

7.1 Legislation, Regulation and external standards

- *Local Government Act 1993*
- Local Government (General) Regulation 2005
- Division of Local Government Circular 04/04 – Appropriate Controls on the Use of Council Issued Credit Cards
- Audit Office of NSW – Guide to Better Practice – Corporate Credit Card
- NSW Treasury – Credit Card Use Best Practice Guide

7.2 Council policies and procedures

- Code of Conduct
- Procurement Framework
- Fraud Control Policy
- Fraud Control Plan