

CREDIT CARD POLICY

POLICY OBJECTIVE

The objective of this policy is to detail standard credit card practices across Council and to highlight the obligations of Council officers with the delegated authority to purchase goods and services of any value or type on behalf of Council by way of corporate credit card.

Credit card usage is a function that is high risk in terms of corruption and therefore it is subject to tight rules and processes.

Successful corporate credit card usage provides great flexibility and potentially increases efficiency of services, expediting lead times and reducing administrative burden.

1. POLICY STATEMENT

The intent of this policy is to outline the requirements, effective controls and procedures regarding the use of credit cards by Wentworth Shire Council staff. Corporate credit cards are a routine aspect of accounts payable management and procurement for local government organisations.

Corporate credit cards allow for the efficient and effective operation of Council business and are not a benefit assigned to specific individuals. The use of corporate credit cards creates savings in staff administration time and are an efficient means of payment, especially for low-value purchases.

Council credit cards are subject to appropriate controls in order to protect organisational funds, maintain the integrity of governance processes and to maintain public confidence in Council operations. All local government organisations are obliged to maintain an effective system of internal controls, in accordance with the *Local Government (General) Regulation 2021* to address the significant risks of fraud and misuse of corporate credit cards.

2. POLICY COVERAGE

This policy applies to the Mayor and Council staff who have delegated authority to expend Council funds.

3. STRATEGIC PLAN LINK

Objective: 4.0 Wentworth is a caring, supportive and inclusive community that is informed and engaged in its future.

Strategy: 4.1 Provide strong and effective representation, leadership, planning, decision-making and service delivery.

4. DEFINITIONS AND ABBREVIATIONS

Term/Word	Definition
Cardholder	The person to whom the credit card has been allocated to.
Council	The Council of the Wentworth Shire

5. POLICY CONTENT

This policy represents the principles, processes and procedures that will be applied to corporate credit card usage on Council's behalf.

Councillors and members of staff must exercise the highest standards of integrity in a manner able to withstand the closest possible scrutiny.

Appropriate Use

CREDIT CARD POLICY

Council card holders must ensure funds are available within the budget prior to purchasing goods and services and the expenditure is justified.

Credit cards are not to be used for cash advances, ATM transactions, bank cheques, over the counter withdrawals, traveller's cheques or wire of money transfers.

Council credit cards shall not be used for private or personal expenditure.

Council employees will not be entitled to any rewards program or access to rewards that may be offered as part of Council incurring expenditure.

Use of a corporate credit card for business purchases over the internet must be restricted to trusted secure sites.

Cardholders must provide taxation compliant transactional evidence to support all charges. An acceptable receipt for reimbursement of claimable business expenses on the corporate credit card is an original Tax Invoice/Receipt.

Failure to produce an official Tax Invoice will result in the cardholder having to provide a Statutory Declaration as substantiation and proof that a business related purchases has occurred.

Eligibility, Security and Governance

Council staff will only be issued a corporate credit card in circumstances where there is a clear business case to support their use.

Credit cards are to be maintained in a secure manner by the cardholder and guarded against improper use.

The General Manager is to authorise the establishment of all Council corporate credit cards. Applications for credit cards are to include details of the need for the facility and proposed use of the credit card, the approval will be based on position held within Council in conjunction with the applicants financial delegations.

Cardholders will be required to formally acknowledge policy conditions and complete the cardholder agreement form. New card holders will be required to undertake credit card induction training prior to being issued with their card.

Cardholders should be aware that if they do not obtain or are not able to provide a tax invoice for expenditure, the organisation will not be able to recover any GST that may be applicable on that expenditure.

The Finance team will perform regular reviews and compliance checks of all credit cards, including but not limited to: usage patterns, internal controls and risk management relating to credit card usage. If necessary or upon request, a summary of the review will be reported to the General Manager.

Lost, stolen and/or damaged cards are to be reported immediately to the card issuer (financial institution) and to the Director Finance & Policy.

Credit cards are to be returned to Council a minimum of two (2) weeks prior to the cessation of employment, retirement, transfer or promotion (by the cardholder) to another position that does not require the use of a card or if they are instructed to do so by the General Manager. This will include a reconciliation of expenditure incurred on the card.

The use of corporate credit cards is only to be in accordance with this policy, ensuring that procurement guidelines have been followed in accordance with the Procurement Policy and the Procurement Manual and is adherence to financial institution's conditions of use.

Misuse of Card

CREDIT CARD POLICY

Cardholders will be considered to have misused the card if they fail to meet their responsibilities as outlined in the credit card cardholder agreement form and outlined in the Procurement Manual.

Misuse of the card may result in:

- The withdrawal of the card; and
- Disciplinary action being taken

The cardholder is also required to bear the cost of any charges incurred by Council arising from any card misuse by the cardholder.

Splitting of an invoice to avoid exceeding financial delegation limits is not permitted and is treated as a misuse of the card.

Credit Cards are issued to Council staff members that are in a position of trust in regards to the use of public funds. Improper use of the credit card facility may render the cardholder liable to disciplinary/legal action, and/or criminal prosecution if deemed appropriate.

If a card is inadvertently used for personal use the cardholder should:

- Identify if the supplier is able to reverse the transaction; or
- Ensure that repayment is made immediately (or as soon as practically possible), with a copy of the receipt for reimbursement forwarded to the Finance team.

Management and Compliance

The Finance team is responsible for the implementation, monitoring and control of credit cards, and is authorised to request any information from cardholders that is relevant to establishing compliance with this policy and associated procedures.

Use of credit cards by staff other than the nominated cardholder

The use of credit cards by staff other than the nominated cardholder will be considered a breach of this policy, unless the staff member has received permission from the cardholder.

Staff are to request a credit card authorisation form from the finance team and fill in the necessary details. The forms must be signed by the staff member's manager and the cardholder prior to completing the transaction.

The signed form must accompany the tax invoice/receipt and be attached to the monthly statement account.

Responsibilities

Cardholders

It is the responsibility of the cardholder to ensure that:

- The purchase complies with all conditions of this policy and other relevant Council policies;
- The card is used only for allowable transactions;
- The intended purchase is not a stock item in Council's stores;
- By signing the credit card statement they are certifying that the expenses listed have been incurred, that the goods and/or services have been received, that the details have been reconciled and are correct for payment;
- Appropriate paperwork in the form of a tax invoice is retained at the time of purchase and forwarded to the finance area to be attached to the monthly statement; and
- Any discrepancies on the monthly statement are resolved with bank and/or supplier.

Approving Manager

It is the responsibility of the approving manager to ensure that:

CREDIT CARD POLICY

- Card usage is monitored to ensure compliance to the budget and relevant policies and procedures;
- Identify any questionable activity and make the necessary enquiries; and
- Approve all transactions in a timely manner.

Finance Team

It is the responsibility of the Finance team to:

- Ensure that Council requirements concerning usage of credit cards is known by cardholders;
- Ensure that cost allocations are made in a manner suitable for reporting purposes;
- Bring to the attention of the General Manager any:
 - Card usage that appears to be beyond the authority of the cardholder; and
 - Any non-conformance with the acquittals of credit card accounts
- Bring to the attention of the General Manager any non-conformances or unusual matters not resolved in a reasonable timeframe.
- Report to the General Manager immediately any reasonable concern that arises in relation to fraud or misappropriation and initiate an investigation; and
- Review the operation of the system from time to time and modify it to meet the needs of Council.

6. RELATED DOCUMENTS & LEGISLATION

Legislation

- *Local Government Act 1993 (NSW)*
- *Local Government (General) Regulation 2021*

Council Policies

- GOV003 – Fraud Control Policy
- GOV004 – Internal Reporting Policy
- GOV005 – Procurement Policy
- GOV009 – Delegation Policy
- GOV020 – Code of Conduct Policy
- GOV022 – Legislative Compliance Policy

Council Documents

- Procurement Manual
- Legislative Compliance Framework
- Governance Framework
- Fraud Control Plan

7. ATTACHMENTS

Nil.

CREDIT CARD POLICY

8. DOCUMENT APPROVAL

This document is the latest version of the official policy of the Wentworth Shire Council, as adopted by Council on 18 May 2022. All previous versions of this policy are null and void.

This policy may be amended or revoked by Council at any time.

A PDF copy of the signed document can be accessed from Council's record management system and Reliansys.

Signed:.....

General Manager Wentworth Shire Council

23 May 2022

Date