



<b>POLICY NO</b>	<b>CP/FIN-3213</b>	
<b>POLICY</b>	<b>Corporate Credit Cards</b>	
<b>RESPONSIBLE DIRECTORATE</b>	Corporate Services	
<b>RESPONSIBLE OFFICER</b>	Coordinator Finance	
<b>COUNCIL ADOPTION</b>	Date: 26 August 2014	Resolution No: 10505
<b>REVIEWED/MODIFIED</b>	<del>Date: 24 November 2015</del>	<del>Resolution No: 11172</del>
	<del>Date: 28 November 2017</del>	<del>Resolution No: 117839</del>
	Date: 27 October 2020	Resolution No: 118323
	<del>Date: 25 October 2022</del>	<del>Resolution No: TBA</del>
<b>REVIEW DUE</b>	October 2025	
<b>LEGISLATION</b>	<ol style="list-style-type: none"> <li>Local Government Act 1995 – Sections 2.7(2)(a), 2.7(2)(b), 6.5(a),</li> <li>Local Government (Financial Management) Regulations 1996: <ul style="list-style-type: none"> <li>Regulation 11. Payments, procedures for making etc.</li> <li>Regulation 13. Payments from municipal fund or trust fund by CEO, CEO's duties as to etc.</li> </ul> </li> </ol>	
<b>RELATED POLICIES</b>	<ol style="list-style-type: none"> <li>CP/FIN-3204 Purchasing</li> <li>CP/CNC-3140 Elected Member Allowances and Entitlements</li> <li>Code of Conduct for Council Members, Committee Members and Employees</li> <li>Audit (Finance and Risk) Committee Terms of Reference</li> </ol>	
<b>RELATED ORGANISATIONAL DIRECTIVES</b>	<ol style="list-style-type: none"> <li>OD/FIN-4202 Issue and Use of Corporate Credit Cards</li> <li>Delegations Register - Delegation 12: Payments from the Municipal Fund and Trust Fund</li> </ol>	

**Commented [LL1]: Amendment 1**

Old review dates have been removed only the current adoption date and two other review dates required. An audit trail can be followed by viewing previous versions of the Policy and or in the Shire record keeping system.

**PURPOSE:**

This purpose of this policy is to provide Shire of Wyndham East Kimberley employees issued with corporate credit cards a clear framework to enable the appropriate issue and usage of corporate credit cards. It will ensure transparency in usage and will reduce the risk of fraud and misuse of corporate credit cards.

**DEFINITIONS:**

None Required

**POLICY STATEMENTS:****1. Application of Policy**

- 1.1 This policy applies to all employees of the Shire of Wyndham East Kimberley who are assigned a corporate credit card.

**2. Authority for Use of Corporate Credit Cards**

- 2.1 Shire of Wyndham East Kimberley corporate credit cards may be issued to the Chief Executive Officer, Directors and the Executive Assistant upon application.

2.2 The Chief Executive Officer may issue corporate credit cards to additional Shire employees where appropriate.

### **3. Authority for Approval of Corporate Credit Cards**

3.1 The Council must approve the issue of a credit card to the Chief Executive Officer and any change to the credit card limit.

3.2 The *Local Government Act 1995* does not allow for the issue of credit cards to elected members of local governments. Elected members are entitled to allowances or the reimbursement of expenses incurred on Council business in accordance with Council's Policy *CP/CNC-3140 Elected Member Allowances and Entitlements*.

### **4. Limits**

4.1 The total combined limit for the Shire's corporate credit cards is a maximum of \$55,000.

4.2 The corporate credit card issued to the Chief Executive Officer will have a maximum limit of \$10,000 applied.

4.3 The Chief Executive Officer will determine the maximum limit for each corporate credit card issued to Shire employees up to \$10,000.

4.4 The Chief Executive Officer may approve any change to credit card limits for any credit cards issued to Shire employees.

### **5. Conditions of Use**

5.1 The corporate credit card cannot be used to obtain cash advances even for official functions.

5.2 A corporate credit card shall only be used for the purchases of goods and services in the performance of official duties.

5.3 In all cases of misuse, the Shire of Wyndham East Kimberley reserves the right to recover any monies from the cardholder.

5.4 Transactions that seem to be unreasonable, excessive and unauthorised will be subject to audit and reported to the Chief Executive Officer where appropriate action will be undertaken.

### **6. Purchasing**

6.1 Purchases on the corporate credit card are to be made in accordance with the Council's Policy *CP/FIN-3204 Purchasing*.

6.2 Corporate credit cards are only to be used to purchase goods and services for which there is a budget provision.

### **7. General**

7.1 The corporate credit card must be issued from the financial institution that municipal transactions are made from.

- 7.2 All corporate credit card holders will sign a Corporate Credit Card User Agreement which will set out the cardholder's limit, responsibilities and legal obligations when using the corporate credit card.
- 7.3 A register must be kept of all current cardholders including, card number, expiry date of credit card, credit limit and details of goods and services the cardholder has authority to purchase.
- 7.4 Reward schemes cannot be used for personal benefit. If the corporate credit card has a rewards scheme attached, the rewards will accumulate in the name of the Shire of Wyndham East Kimberley and at the discretion of the Chief Executive Officer, he or she will decide on how these rewards are utilised.

## 8. Reconciliation Procedures

- 8.1 The Chief Executive Officer's credit card reconciliation statement must be authorised by the ~~Shire President Director Corporate Services~~.
- 8.2 Transactions shall be accompanied by a succinct explanation of why the expense was incurred.
- 8.3 Transactions shall be accompanied by an account/job number for costing purposes.
- 8.4 If no supporting documentation is available, the cardholder will provide a declaration detailing the nature of the expense and must state on the declaration "all expenditure is of a business nature". Approval of the expense is referred to the Chief Executive Officer or ~~Shire President Director Corporate Services~~ for a decision. Should a lack of detail be a regular occurrence for a particular cardholder, the cardholder may have their credit card withdrawn. Use of a statutory declaration is for exceptional circumstances rather than the norm.
- 8.5 Should approval of expenses be denied by the Chief Executive Officer or the ~~Shire President Director Corporate Services~~, recovery of the expense shall be met by the cardholder.
- 8.6 The cardholder shall sign and date the credit card statement with supporting documentation attached stating "all expenditure is of a business nature".

### Commented [LL2]: Amendment 2

Amended to streamline process and provide timely accountability of purchases. This amendment is in line with the Western Australian Auditor General's Report dated 7 May 2018 relating to Controls Over Corporate Credit Cards and the recommendations of the recent Regulation 17 review. Section 9 of this Policy ensures that credit card usage is reported on to Council as per Regulation 13 of the *Local Government (Financial Management) Regulations 1996*.

## 9. Reporting

- 9.1 All purchases using a corporate credit card shall be included in the list of accounts paid under delegated authority and presented to the Council in accordance with the requirements of Regulation 13 of the *Local Government (Financial Management) Regulations 1996*.

## EXPLANATORY NOTES:

### 1. Legislation

The *Local Government Act 1995* does not specifically mention the use of corporate credit cards by officers in a local government. However, Section 6.5(a) of the Act requires the CEO to ensure that proper accounts and records of the transactions and affairs of the local government are kept in accordance with regulations. In addition, Regulation 11(1)(a) of the *Local Government (Financial Management) Regulations* requires the local government to develop procedures for the authorisation and payment of accounts to ensure that there is effective security and appropriate authorisation in place for the use of credit cards.

## 2. Advantages of Credit Cards

Corporate credit cards can deliver significant benefits but they can also expose a local government to significant risks if not controlled properly.

- Corporate credit cards, when used correctly can –
- a. eliminate or reduce time spent on paper-based ordering and payments;
  - b. reduce administrative costs;
  - c. reduce the number of payments made per month;
  - d. provide a useful resource in remote and emergency situations;
  - e. reduce the need to carry cash;
  - f. reduce cash purchases;
  - g. effectively support on-line purchases (over the internet);
  - h. effectively support on-line registrations (over the internet); and
  - i. provide an effective audit trail of expenditures.

This Policy aims to incorporate the necessary controls to ensure that the risk is mitigated.

### **RISK:**

**Risk:** Failure to develop appropriate, meaningful policies which enable the administration to perform in an effective and efficient way.

**Control:** Review policies and procedures in accordance with review schedule.

**Risk:** Failure to manage the disbursement of funds to meet the needs of the Shires forward planning requirements, including the Strategic Community Plan, Corporate Business Plan, Long Term Financial Plans and Annual Budget.

**Control:** Monthly and quarterly progress and financial reporting against Corporate Business Plan and Annual Budget.