

2/020 Corporate Credit Card

Objective

Corporate Credit Cards deliver significant benefits to the Town of Port Hedland through improved administrative practices and more effective cash management. Efficiency of operational activities is increased by reducing the cost, paperwork and time associated with purchasing goods and services.

This policy sets out the guidelines and principles that need to be followed by the Credit Card holders at the Town of Port Hedland. The objective of this policy is to:

1. Provide a distinct framework to enable the use of Corporate Credit Cards;
2. Provide Corporate Credit Card holders precise and concise guidelines to enable the appropriate issue and usage of the corporate credit card; and
3. Minimise or eliminate the risk of fraud and misuse of the Corporate Credit Card.

Application of Policy

This policy applies to all employees of the Town of Port Hedland who are assigned a corporate credit card.

Legislation

The following provisions of the *Local Government Act 1995* (the Act) and associated regulations impact on the use and control of corporate credit cards:

- Section 2.7(2) (a) and (b) of the Act requires the council to oversee the allocation of the local government's finances and resources and to determine the policies of the local government.
- Section 6.5(a) of the Act requires the Chief Executive Officer (CEO) to ensure that proper accounts and records of the transactions and affairs of the local government are kept in accordance with regulations.
- Local Government (Financial Management) Regulation 11(1)(a) requires local governments to develop procedures for the authorisation and payment of accounts to ensure that there is effective security and appropriate authorisations in place for the use of credit cards.

Guidelines for Credit Card Usage

- The card must be used for Council business expenditure only, within the limit assigned for the use of that card and within the approved budget;
- The card must not be used for personal use or personal transaction;
- The card cannot be used for the withdrawal of cash through any facility, whether it is a Bank, ATM or EFTPOS facility;
- In all cases of misuse, the Town of Port Hedland reserves the right to recover any monies from the cardholder;



- The card must not be used by officers other than the cardholder unless the cardholder has given prior written approval for each and every specific transaction;
- Under no circumstances is the cards pin to be disclosed to another person and no other person other than the cardholder may utilise the card for pay pass or transactions that require use of the pin;The card must only be used for fuel purchases in instances where a Fuel Card facility is unavailable;
- The cardholder must retain all tax invoices and/or receipts and maintain any other records of their transactions to facilitate reconciliation and costing of transactions for that card;
- The cardholder must practice due diligence and strict care to maintain the security of their card, ensuring that it is kept in their possession at all times and not left in any place from which it may be taken;
- The card must be returned to the Manager Financial Services (or his/ her delegate), prior to periods of extended leave (any periods in excess of four weeks). The card must also be returned if the cardholder is reassigned to a new position where the use is not required or where their employment is terminated with the Town of Port Hedland;
- Cards must not be used to purchase travel insurance and cardholders must not obtain personal rewards such as frequent flyer points or Woolworths rewards;
- The card shall not be used for payment of fines, for example a parking fine or a speeding offence which was incurred whilst on Town business;
- No “tips” shall be paid using a Corporate Credit Card; and
- The card shall not be used for purchases on trading websites (for example eBay, Gumtree etc).

Purchasing

Purchases on the corporate credit card are to be made in accordance with the Council’s Policy 2/007 Procurement Policy.

In addition, Credit Card holders need to ensure the card is only used within approved limits within section 22.3 Income and Expenditure Financial Limits of the Towns delegation register.

Delegations

Each card holder is issued a credit card based on the delegated authority applied to the role they are engaged in. The delegated authority can be viewed within section 22.6 Credit Card Holders of the Towns delegation register and stipulates the cardholders limit per month and transaction limit.

Responsibilities

Cardholders

The individual cardholder is responsible for:

- The safe keeping of the card and the prompt reporting to their respective Manager and the Manager Financial Services (or his/ her delegate), if the card is mislaid or stolen;
- Ensuring that the card is only used within approved limits attributed to that particular purchase card and within approved budget;
- Returning the card to the Manager Financial Services (or his/ her delegate), during periods of leave (periods in excess of four weeks), upon transfer to a position not requiring a credit card or upon termination of employment with the Town of Port Hedland;
- Registering all tax invoices, dockets and other supporting documentation and maintain these documents in accordance to the Council procedures;
- Completing the Credit Card reconciliation process to facilitate prompt costing and authorisation of credit card transactions with an accurate description of goods and services purchased;
- Reporting any disputed transactions to their Manager and the Manager Financial Services (or their authorised officer) to allow for prompt resolution of any errors or misuse; and
- Completion of the “Corporate Credit Card Acknowledgement and Conditions of Use” declaration form on the issuing of the card and/or amendments of conditions or the policy.

Managers, Directors and CEO

Managers, Directors and CEO are responsible for:

- The initial approval of applications for Credit Cards by employees within their area of responsibility;
- Ensuring that each employee is made aware of and understands their individual responsibility associated with holding a Credit Card;
- Ensuring that all issues pertaining to disputed transactions are brought to the attention of the Manager Financial Services (or his/ her delegate);
- Ensuring that on at least a monthly basis a credit card reconciliation statement for each credit card is signed by the cardholder and countersigned by the officer’s supervisor or, in the case of the CEO, is the Director of Corporate Services ; and
- Ensuring that on at least a monthly basis a copy of the credit card statement from the issuing bank, with the credit card number blanked out, is presented to Council to accompany the accounts due and paid.

Finance Department

The Manager Financial Services (or his/ her delegate) is responsible for

- Ensuring that the credit card register is maintained and accurate at all times;
- Safe custody of cards surrounded by employees during extended periods of leave; and
- Coordination of annual “Corporate Credit Card Acknowledgement and Conditions of Use” declarations.

Termination of Use

Once it has been established that the cardholder no longer requires a card, relevant steps as listed in the Corporate Credit Card IOP shall be followed. Payroll shall not release any termination payments until appropriate clearances in respect of a cardholder’s card have been obtained from the Manager Financial Services (or their authorised officer).

Unauthorised Use

Unauthorised use means any instance of non-compliance with this policy, whether by the cardholder or another person and can involve:

- Unauthorised or inappropriate transactions made on a card; or
- Any other non-compliance with any direction or rules for card use, including use that, from the public perspective, has the potential to cause reputational risk to Council.

Unauthorised use will be subject to disciplinary action including the requirement for reimbursement of the expense by the employee.

Definitions

“Council Business Expenditure” - bona fide business transactions that are required by a cardholder undertaking normal duties in the course of their employment with the Town of Port Hedland and would otherwise be undertaken by Purchase Order or petty cash.

“Corporate Credit Cards” - will be a credit card identified by the words “Town of Port Hedland”. The card will be personalised and issued to the user to provide a clear audit trail. The name of the card-holder is on the card.

“Cardholder” - is any officer of the Town of Port Hedland receiving authorisation to have a Corporate Credit Card issued in his or her name.

“Personal Use/ Personal transaction” - any purchase intended for the personal benefit of the cardholder. Purchase of any items not normally provided to a staff member in the course of their employment with the Town of Port Hedland.

<i>Governance to complete this section</i>			
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Relevant legislation	
Delegated authority	
Business unit	Financial Services
Directorate	Corporate Services