Corporate Credit Card

Objective

The purpose of this policy is to establish rules for the use of corporate credit cards and the responsibilities of cardholders using the Shire's corporate credit cards.

The policy ensures that operational and administrative costs and the risks associated with credit card use are minimised while providing cardholders with a convenient method of purchasing goods and services on behalf of the Shire.

Policy

1. <u>Authority for use of Corporate Credit Cards</u>

Shire of East Pilbara corporate credit cards may be issued to the Chief Executive Officer and authorised officers where it is inappropriate or inconvenient to use the Shire's normal payment systems.

2. <u>Authority for approval of Corporate Credit Cards</u>

Council authorises the issue of a credit card to the Chief Executive Officer. The Chief Executive Officer may approve credit cards to be issued to an employee. Credit limits will be determined by the Chief Executive Officer and must be appropriate for operational needs. The Chief Executive Officer will issue Organisational Directives setting thresholds for expenses that require prior approval from the cardholder's supervisor.

3. <u>Legislation</u>

Section 6.5(a) of the *Local Government Act 1995* ("the Act") requires the Chief Executive Officer to ensure that proper accounts and records of the transactions and affairs of the local government are kept in accordance with the regulations. In addition, regulation 11(1)(a) of the *Local Government (Financial Management) Regulations 1996* ("the Regulations") requires a 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. A monthly report of all credit card transactions must be provided to each ordinary meeting of Council in accordance with regulation 13A of the Regulations.

4. <u>Approved bankers</u>

The Shire's corporate credit cards are to be issued by its transactional banker.

5. <u>Purchases and use of Corporate Credit Cards</u>

The Shire's corporate credit cards shall only be used for the purchase of goods and services in the performance of official duties for which there is a budget provision. Under no circumstances are they to be used for personal or private purposes, or for the withdrawal of cash through a bank branch or any automatic teller machine.

Where purchases are made by electronic means, an invoice is to be requested to support the purchase.

Where a payment is made for business related hospitality purposes, the circumstances requiring the hospitality and the names of people receiving it must be recorded and retained with the tax invoice orreceipt for the purposes of transparency and the payment of any Fringe Benefits Tax liability. The details of the need for entertainment and those in receipt of it must be reported to Council.

Credit cards should not be used for recurring subscriptions where it is possible for a purchase order to be raised for the provision of recurring subscriptions.

6. Accounts and settlement

The provider of the credit card will supply the Shire's Finance team with a statement of account each month. This statement must be forwarded to the cardholder for certification and the supply of receipts and tax invoices to support the Shire's claim for the purchases and services obtained.

A credit card transaction slip is not acceptable to support the claim. Statutory declarations must only be used in extenuating circumstances, such as when a card is used to tap on to public transport and no tax invoice is available. A statutory declaration must detail the reason why a tax invoice was not available and must be reviewed by the cardholder's supervisor.

A tax invoice should provide a brief description of the goods and services supplied along with the supplier's ABN. The cardholder is to provide the correct expense account for the expenditure.

When a credit card is used to pay for goods or services for a non-cardholder, the supporting information accompanying the evidence of the transaction must include an Approval to Use Credit Card Form. The supporting information must include sufficient detail for the expense to be accurately described in the Monthly List of Accounts reported to Council.

Cardholders must certify that the account details are correct. The certification will serve as an acknowledgement that the cardholder has reviewed the statement, verified the accuracy of all transactions, and confirmed that all expenses are legitimate business expenses. The cardholder's supervisor must co-sign the statement to approve the expenses before the statement is returned to the Finance team for payment. In the case of the Chief Executive Officer, the statement must be signed by the Shire President.

The account will be paid by the Finance team on receipt of the cardholder's certification, which must be provided within seven (7) days of receipt and prior to the end of the credit card monthly settlement period.

Non-compliance with the accounts and settlement elements of this policy must be reported to the Executive Leadership Team each month, as well as directly to the cardholder's supervisor. A cardholder who is found to be non-compliant three (3) or more times will have use of their card suspended and must undergo further training with the Coordinator Finance – Accounts Payable or the Manager Financial Services before the card is re-issued.

7. Card lost or stolen

Cards that are lost or stolen must be reported immediately by the cardholder to the issuing bank. At the earliest opportunity, written notification must also be provided to the Director Corporate Services so that the cancellation of the card may be confirmed and a reconciliation of the card account from the date the card was lost or stolen may be performed.

8. Misuse of Corporate Credit Cards

Corporate credit cards are issued in the name of the authorised Shire officer, each of whom must take personal responsibility for the use of the card. Any unauthorised or inappropriate expenditure must be reported immediately to the Director Corporate Services or Chief Executive Officer.

Shire officers authorised as corporate credit cardholders must ensure the security of the card at all times. Credit card transactions that are unreasonable, excessive or are for unauthorised expenditure will be subject to audit and may result in the withdrawal of the card from the cardholder. All instances of unauthorised use of a corporate credit card will be reported to the Public Sector Commission or Corruption and Crime Commission in accordance with the *Corruption, Crime and Misconduct Act 2003*.

9. Recovery of unauthorised expenditure

Unauthorised expenditure or expenditure of a private nature must be recovered from the officer's salary and may result in disciplinary action being taken.

10. Internal audit of the Corporate Credit Card system

From time to time, audits on the control, use, viability and compliance with this policy will be undertaken and reported to the Audit, Risk and Governance Committee.

11. Reward/bonus points

Where corporate credit cards carry rewards or points, usually to encourage the use of the card by the issuing institution, these rewards or points shall not be accumulated in the name of the responsible officer. Council may maintain a corporate account which collects rewards points on behalf of the Shire to be used by the organisation.

12. Return of cards

When a cardholder ceases to occupy a position that is authorised to be issued with a corporate credit card, the corporate credit card must be returned to the responsible Director before vacating the position so that the card may be cancelled and the account settled.

13. Finance Team responsibilities

The Director Corporate Services is responsible for arranging the issue of the corporate credit card on advice from the Chief Executive Officer. The Chief Executive Officer is responsible for ensuring the following with respect to the Shire's corporate credit cards:

- Maintenance of a Corporate Credit Card Register of all cardholders.
- Arranging the issue/cancellation of the corporate credit cards.
- Arranging for all cardholders to sign the Declaration of Credit Cardholder (see **Appendix A**) on receipt of the new card and ensure the signed agreement is filed in the Corporate Credit Card Register.
- Processing credit card expenditure upon receipt of the bank statement, the cardholder's certification and all required receipts and tax invoices.
- Keeping cardholders informed of any changes to this Policy.
- Reporting non-compliance to the Executive Leadership Team each month, as well as directly to the cardholder's supervisor.

14. Cardholders' responsibilities

Officers who are issued with corporate credit cards must:

- Ensure the care and safekeeping of the credit card.
- Comply with this Policy in relation to the use of the credit card and its financial limits.
- Obtain and retain receipts and tax invoices are received when the credit card is used, and to produce them as evidence for settlement with the bank.
- Ensure the monthly credit card statement is certified correctly and approved for payment when received from the Finance team, and return the certified statement, with all receipts and tax invoices to the Finance team within seven (7) days of receipt.
- Ensure the correct expenditure account details (account numbers) are provided against each item of expenditure on the credit card statement to assist with the allocation of expenses and claims for the reimbursement of GST from the Australian Taxation Office.
- Provide a timely response to enquiries that may be made by the bank, creditors or related parties, as the case may be.
- Ensure purchases comply with Council's Purchasing Policy and all applicable legislative requirements.
- Comply with all financial procedures and directions as authorised by the Chief Executive Officer, in accordance with the Code of Conduct.

15. Training

The Chief Executive Officer must ensure that all cardholders complete comprehensive mandatory training. This training must cover the obligations under the legislation, regulations and this policy and emphasise the importance of complying with the Shire's approved procedures and directions.

Authorisation Details

Authorised by:	Council		
Date:	24 April 2014	**Item No.**	9.2.19
Review/Amendment Date	24 August 2018	**Item No.**	9.1.4
Review/Amendment Date	23 August 2024	**Item No.**	12.2.1
Review/Amendment Date	27 June 2025	**Minute No.**	2025/171
Review/Amendment Date	31 July 2026	**Minute No.**	2026/220
Next Review	Annually		
Responsible Directorate	Corporate Services		
Responsible Officer	Manager Financial Services		
File No.			

APPENDIX A

DECLARATION OF CREDIT CARDHOLDER

I, ____, holding the position of

____ at the Shire of East Pilbara, declare that I have read and understand this Policy and that as a holder of a corporate credit card will comply with the obligations contained in the Policy.

____

Signature

/ /

Date