

POLICY NO.	2.41		
POLICY	Corporate Credit Card		
POLICY OWNER	Chief Executive Officer		
APPROVAL DATE	15 September 2021	Resolution No.	108/2021
NEXT REVIEW	July 2025		

1. POLICY OBJECTIVE

1.1. Introduction

- 1.1.1. A Corporate Credit Card can deliver significant benefits, however, can also expose a local government to significant risks if not adequately controlled.
- 1.1.2. This purpose of this Policy is to provide Shire of Wiluna employees issued with Corporate Credit Cards a clear framework of principles to guide the use and management of Corporate Credit Card facilities and which:
 - a) Ensures efficient and effective procurement and payment operations.
 - b) Minimises the risk of misuse, fraudulent or corrupt use.
 - c) Defines allowable and prohibited uses.
 - d) Defines management and oversight obligations.
 - e) Defines Cardholder duty of care and responsible use obligations.

2. POLICY STATEMENTS

2.1. Application of Policy

- 2.1.1. This Policy applies to all employees of the Shire of Wiluna who are assigned a corporate credit card to undertake appropriate expenditure on behalf of Council and must be read in conjunction with Council's Policy 2.6 – Procurement and Disposal.
- 2.1.2. This Policy also applies to all Authorising Officers who are required to authorise Corporate Credit Card reconciliations.
- 2.1.3. This Policy does not confer any delegated authority upon any person. The Council issues delegations to the Shire President and the Chief Executive Officer and the Chief Executive Officer issues all delegations to staff.
- 2.1.4. All officers and employees of the Shire undertaking purchasing activities must have regard for the requirements contained in the Code of Conduct for Councillors, Committee Members and Staff (Employees) ("the Code of Conduct") and shall observe the highest standards of ethics and integrity.

- 2.1.5. All officers and employees of the Shire must act in a manner which is honest and professional and supports the standing of the Shire at all times.
- 2.1.6. Authority for Use of Corporate Credit Cards
- 2.1.7. The Chief Executive Officer or the Deputy Chief Executive Officer may issue Corporate Credit Cards to additional Shire employees where appropriate.

2.2. Eligibility

- 2.2.1. Any Shire employee that may require a Corporate Credit Card shall establish a business case for the issue of a new Corporate Credit Card. Items to be addressed in support of the application would normally outline the reasons to warrant having a Corporate Credit Card.
- 2.2.2. The Chief Executive Officer or Deputy Chief Executive Officer must approve all applications, and in the case of the Deputy Chief Executive Officer Corporate Credit Card application, the Chief Executive Officer shall approve the application.
- 2.2.3. Once approved, the financial institution may require the proposed Cardholder to complete a 100 points of identification check. The application form is to be signed by the Cardholder and either the Chief Executive Officer or the Deputy Chief Executive Officer.
- 2.2.4. Employees who are authorised to hold a Corporate Credit Card will be issued only one Corporate Credit Card at a time.
- 2.2.5. The Local Government Act 1995 does not allow for the issue of Credit Cards to Elected Members of local governments.
- 2.2.6. Elected Members are entitled to allowances or the reimbursement of expenses incurred on Council business in accordance with the provisions contained within the latest determination of the *Salaries and Allowances Tribunal* in accordance with the *Western Australian Salaries and Allowances Act 1975*.

2.3. Authority for Approval of Corporate Credit Cards

- 2.3.1. Shire of Wiluna Corporate Credit Cards may be issued to the Chief Executive Officer, Deputy Chief Executive Officer and the Executive Assistant upon application.

2.4. Limits

- 2.4.1. The total combined limit for the Shire's Corporate Credit Cards is a maximum of \$70,000.
- 2.4.2. The Corporate Credit Card issued to the Chief Executive Officer will have a maximum limit of \$35,000 applied.
- 2.4.3. The Chief Executive Officer will determine the maximum limit for each Corporate Credit Card issued to Shire employees up to \$10,000.

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- 2.4.4. The Chief Executive Officer may approve any change to Credit Card limits for any Corporate Credit Card issued to Shire employees.

2.5. Corporate Credit Card Lost or Stolen

- 2.5.1. In the event that a Cardholder misplaces or loses the Corporate Credit Card, the Cardholder must report this immediately and without delay to the card provider/financial institution.
- 2.5.2. The Cardholder must also report the loss of the card immediately to the Corporate Card Systems Administrator, Deputy Chief Financial Officer or the Chief Executive Officer in writing (email will suffice) who will also make the appropriate follow up with the financial institution.
- 2.5.3. The Corporate Card Systems Administrator, in conjunction with the Cardholder must perform a reconciliation of the card account from the date the card was lost or stolen.
- 2.5.4. In the case where the Corporate Credit Card is misplaced or lost over a weekend, the Cardholder shall immediately notify the financial institution, and advise the Corporate Card Systems Administrator, Deputy Chief Executive Officer or the Chief Executive Officer in writing on the next working day.

2.6. Conditions of Use

- 2.6.1. The Corporate Credit Card cannot be used to obtain cash advances even for official functions.
- 2.6.2. A Corporate Credit Card shall only be used for the purchases of goods and services in the performance of official duties.
- 2.6.3. 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.
- 2.6.4. No Corporate Credit Card will be provided to an employee without the Corporate Credit Card User Agreement (Appendix A of this Policy) being signed as acknowledgement that they have read, understood and agree to comply with this Policy.
- 2.6.5. Upon receipt of the Corporate Credit Card, the Cardholder shall sign the reverse side of the card and any prior cards shall be destroyed.
- 2.6.6. The Cardholder shall not disclose their PIN to another party and shall not allow use of their Corporate Credit Card by another party, including another Council official.
- 2.6.7. In the event that a Cardholder moves to a position that does not require the use of a Corporate Credit Card or ceases employment, the Cardholder must notify the Corporate Card Systems Administrator to arrange cancellation or temporary hold of the Corporate Credit Card.

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- 2.6.8. In the instance of ceasing employment, a minimum of two (2) weeks' notice where possible, is required to ensure all receipts are received and the Corporate Credit Card account reconciled. The Cardholder must then return the Credit Card to the Corporate Card Systems Administrator, for cancellation and destruction.
- 2.6.9. Corporate Credit Cards cannot be transferred to another user and must be kept in a safe location at all times.
- 2.6.10. Charging personal expenditure transactions on the Corporate Credit Card is not acceptable under any circumstances. A breach of this Policy can lead to disciplinary action in accordance with the Code of Conduct.
- 2.6.11. Where personal purchases are made on the Corporate Credit Card in error, these must be identified, and the charges will be recouped from the Cardholder with an invoice being raised directly to the Cardholder with immediate payment required, or with the Cardholder's approval a payroll deduction may be arranged.
- 2.6.12. Accidental purchases are not considered to be a breach of the Policy or misuse, however they must be followed up and repaid to the Shire in a timely manner.
- 2.6.13. Transactions that appear to be unreasonable, excessive and unauthorised, along with repeated personal purchases will be reported to either the Deputy Chief Executive Officer or the Chief Executive Officer.
- 2.6.14. Transaction limits are not to be exceeded. If additional credit is Validly required during the month, a request is to be made to the Deputy Chief Executive Officer so appropriate steps can be taken to ensure sufficient funds are available.
- 2.6.15. Purchases must not be split into smaller transactions (or over multiple Corporate Credit Cards) to circumvent purchasing delegations or transaction limits.
- 2.6.16. The use of a Corporate Credit Card must be in accordance with Council's Procurement and Disposal Policy – 2.6 and does not negate the necessity to ensure that you achieve the best value for money and meet the quotation requirements.

2.7. Reporting Requirements

- 2.7.1. The Chief Executive Officer will ensure that acquitted transaction statements for each Transaction Card facility are provided to Council as part of the monthly financial reporting regime.

2.8. Approval Arrangements

- 2.8.1. Authorising Officers must review expenditure each month ensuring compliance to the Policy, noting that Cardholders have 10 working days to return the authorised reconciliation statement.
- 2.8.2. The Chief Executive Officer or the Deputy Chief Executive Officer is also required to review and approve each monthly reconciliation statement for Cardholders within their area of responsibility.

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2.8.3. In addition, the monthly reconciliation statements of the following Cardholders must be reviewed and authorised by the following Authorised Officers within 10 working days:

Cardholder	Authorising Officers
Chief Executive Officer	Shire President
Executive Assistant to the Chief Executive Officer and Deputy Chief Executive Officer	Chief Executive Officer* Deputy Chief Executive Officer* Shire President
Deputy Chief Executive Officer	Chief Executive Officer
Coordinator Works and Services	Chief Executive Officer Deputy Chief Executive Officer*
Works Administration Officer	Coordinator Works and Services Chief Executive Officer*

* Where the Executive Assistant's, the Coordinator Works and Services or the Works Administration Officer's monthly reconciliation statement contains no transactions pertaining to the Deputy Chief Executive Officer, or the Chief Executive Officer, the Chief Executive Officer may authorise the statement unless there are transaction pertaining the Chief Executive Officer, then the Shire President must authorise the reconciliation statement.

2.9. Misuse, Misconduct and Fraudulent Use

- 2.9.1. Any alleged misuse of Corporate Credit Cards will be investigated, and may be subject to disciplinary procedures in accordance with the Code of Conduct, and/or cancellation of the Corporate Credit Card.
- 2.9.2. In all cases of misuse, the Shire of Wiluna reserves the right to recover any monies from the Cardholder.
- 2.9.3. Where there is reasonable suspicion of misconduct or fraudulent activity arising from Corporate Credit Card facilities the matter will be reported to the appropriate regulatory agency, subject to the requirements of the Public Sector Management Act 1994 and the Corruption, Crime and Misconduct Act 2003.

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2.10. Responsibilities

2.10.1. Authorising Officers

2.10.1.1. Authorised Officers are responsible for ensuring that:

- a) All purchases are directly associated with the provision of goods or services for the Shire.
- b) All purchases have been undertaken consistent with the provisions of the Procurement and Disposal Policy – 2.6.

2.10.2. Corporate Credit Cardholders

2.10.2.1. Corporate Credit Cardholders are responsible for ensuring that:

- a) The Corporate Credit Card is kept in a safe location at all times.
- b) The Corporate Credit Card is only used for purchasing items that have a direct business association with the Shire.
- c) All documentation regarding a Corporate Credit Card transaction is retained and provided as part of the reconciliation procedure.
- d) The reconciliation statement is completed and authorised within 10 working days upon receipt of the statement.

2.11. Guidance for “Official Business Purposes”

2.11.1. The item which is being purchased must have a direct business association with the Shire.

2.11.2. Working meals are not to be a regular occurrence. When they are required, they will generally involve participation of persons outside the organisation, unless travelling, and are to be pre-approved by the Chief Executive Officer or Deputy Chief Executive Officer.

2.11.3. The expenditure incurred cannot provide a personal benefit to Shire employees, members of their family or friends unless a tribute to a family needs to be considered as a Condolence or Memorial for Staff and Elected Members.

2.11.4. Tips are not permissible, except where it may be a normally expected payment, when a Cardholder is overseas for instance and tips are an expected practice, however generally tips should not exceed 10% of the bill total.

2.11.5. Expenditure or minor gifts of protocol or public relations are not acceptable unless such gifts are in conformity with the Shire’s functions and could be considered acceptable in accordance with community expectations.

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2.11.6. Provision of certain facilities for work purposes at home which would, under normal circumstances, be provided by the employee or the Shire President for personal use, are not legitimate expenses e.g. payment for a TV antenna which may be installed to enable employees to receive transmissions to be aware of matters raised by the media, as part of their normal duties.

2.11.7. The above requirements do not, apply to expenditures to which legislative, industrial or Council Policy provide for reimbursement of expenses.

2.12. Principles for Corporate Credit Card Usage

2.12.1. Appropriate Expenditure

2.12.1.1. The following are examples of expenditure that are deemed to be appropriate for the use of the Corporate Credit Card:

- a) Meals when travelling for work related purposes when they are not included as part of the training or conference and there has not, or will not be an allowance provided.
- b) Subscriptions or memberships for work related purposes after seeking appropriate authorisation from your supervisor or Manager.
- c) Domestic travel related expenses such as taxi fares (where taxi vouchers have not been provided), parking expenses, tolls (where an E-Tag is not fitted) that are directly incurred with the event that you're attending (e.g. return trip from the airport to the conference venue).
- d) Items only available or best procured by internet purchase such as online membership renewals or Corporate Scorecard Reports.
- e) Purchases less than \$200 (including GST) at suppliers where the Shire has an account with.

2.12.2. Inappropriate Expenditure

2.12.2.1. The following are examples of expenditure that are deemed to be inappropriate and are not to be placed on the Corporate Credit Card.

- a) Purchasing meals when they are included as part of the training or conference.
- b) Personal subscriptions or memberships – if allowable, they should be undertaken using a reimbursement process
- c) Flights and accommodation for yourself – these are only to be undertaken by the Executive Assistant or the Works Administration Officer.

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- d) Information and Communications Technology expenses such as iPads, mobile phones and software unless consultation has occurred with the Shire's IT Support company.
 - e) Tools that should be purchased with the use of a Purchase Order where the set of tools in excess of \$200.
 - f) Payment of fines or penalties.
 - g) Donations (including charitable or political) and sponsorships (unless funds have been received (ie. staff donations received from casual days whereby the charitable organisation only accepts payment via credit card).
 - h) Working meals with only Council employees present, unless travelling.
 - i) Travel-related expenditure including meals and incidentals for which the Cardholder has received or will receive a travel allowance.
 - j) Purchase of cash exchangeable products, for example, traveller's cheques or foreign currency.
 - k) Repetitive procurement that could be established as a purchase order.
 - l) Purchase of goods that are held as stock.
 - m) Purchase store credits for food and beverages.
 - n) The purchase of coffee or other food and beverages on your way to or from work.
 - o) Purchases greater than \$200 (including GST) at suppliers where Council has an account with – Cardholders are to raise a purchase order for these purchases.
- 2.12.2.2. For clarity, Elected Members are prohibited from using Shire of Wiluna Corporate Credit Cards as the *Local Government Act 1995* does not provide authority for an Elected Member to incur liabilities on behalf of the Local Government. The Act limits local governments to only paying Elected Member allowances and reimbursing Elected Member expenses.

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2.13. Reconciliation Procedures

- 2.13.1. The Cardholder of the Corporate Credit Card is responsible for completing the reconciliation statement and this must be authorised by an Authorised Officer and their supervisor or Manager.
- 2.13.2. Cardholders have 10 working days from receipt of the reconciliation statement to complete this and have the Authorised Officer and their supervisor or Manager authorise the transactions listed on the statement.
- 2.13.3. Transactions shall be accompanied by a sufficient explanation of why the expense was incurred.
- 2.13.4. All Cardholders will ensure that the goods or services paid for on the Corporate Credit Card are actually delivered or provided.
- 2.13.5. Transactions shall be accompanied by an account number for job costing purposes.
- 2.13.6. If no supporting documentation is available, the Cardholder must provide a statutory declaration detailing the nature of the expense and must state on that declaration "all expenditure is of a business nature". Approval of this expense is referred to the Authorised Officer for a decision. Should lack of detail be a regular occurrence for a particular Cardholder, the Cardholder may have their Corporate Credit Card withdrawn at the discretion of the Deputy Chief Executive Officer or the Chief Executive Officer. Use of a statutory declaration is for exceptional circumstances rather than the norm.
- 2.13.7. If a credit is required for a transaction made using the Corporate Credit Card, the Cardholder must request the credit as soon as they become aware of the need for a credit, for example, where a good or service is not delivered or not provided in accordance with original expectations.
- 2.13.8. Should approval of expenses be denied, recovery of the expense shall be met by the Cardholder.
- 2.13.9. The Cardholder shall sign and date the Corporate Credit Card statement with supporting documentation stating "all expenditure is of a business nature".

2.14. Reward Schemes

- 2.14.1. Reward schemes cannot be used for personal benefit i.e. (Frequent Flyer Programs or airline lounge memberships) or loyalty/reward cards, ie. Woolworths Everyday Rewards, Flybuys etc.).
- 2.14.2. The Corporate Credit Card issued will not have a reward program attached, and while travel may be booked using a Corporate Credit Card, a reward scheme must not be attached thereafter.

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- 2.14.3. Cardholders are reminded that purchases that may attract an entitlement to personal reward schemes (i.e. when booking flights, accommodation, etc.), are considered a personal benefit, and will be subject to disciplinary action in accordance with the Code of Conduct.

2.15. Purchasing

- 2.15.1. The use of a Corporate Credit Card must be in accordance with Council's Procurement and Disposal Policy – 2.6 and does not negate the necessity to ensure that you achieve the best value for money and meet the quotation requirements.
- 2.15.2. Corporate Credit Cards are only to be used to purchase goods and services on behalf of the Shire for which there is a budget provision.
- 2.15.3. A tax invoice is required for all Corporate Credit Card purchases. All tax invoices must include an ABN, total amount, whether GST applies and a brief description of the goods and services purchased. Confirmation documents and EFTPOS receipts are not acceptable.
- 2.15.4. The purchase of fuel on a Corporate Credit Card should only be undertaken in specific situations when there are no alternatives, as provision is made for access to fuel for Shire vehicles.
- 2.15.5. Where purchases are made over the telephone or the internet, an invoice should be requested to support the purchase. If no such invoice or receipt is available, as much detail about the transaction should be recorded and used to support the payment when required (date, company, address, ABN, amount, and any GST included).
- 2.15.6. Where a payment is made for meals or entertainment, employees must note on the reconciliation report the number of persons the expense relates to and the names of any Shire employees in that number. This is required to ensure the Shire pays the correct amount of Fringe Benefits Tax.

2.16. General

- 2.16.1. The Corporate Credit Card must be issued from the financial institution that municipal transactions are made from.
- 2.16.2. The Corporate Cards System Administrator will keep a register of all current Cardholders including card number, expiry date, credit limit and transaction limit.

2.17. Business Continuity

- 2.17.1. The Shire allows provision for interim increases to Corporate Credit Card limits (where required) where there has been an emergency event. This provision overrides any other Corporate Credit Card limit outlined in this Policy.

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3. STRATEGIC OBJECTIVE

3.1. This Policy aligns to the following strategic objective:

	<i>Deliver strong leadership and governance</i>
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4. DEFINITIONS

Shire	Means the Shire of Wiluna
Act	Means the <i>Local Government Act 1995</i>
Authorising Officer	Is a Shire of Wiluna employee who are to undertake authorisation of the Corporate Credit Card reconciliations to ensure compliance with the Policy.
Corporate Card System Administrator	Those staff members who are designated to be Service Delegate Authorities on the Shire of Wiluna's bank account system.
Tools	Incorporates any tool that is powered by hand, such as pliers, screwdrivers and shovels, along with power tools such as drills and grinders.

5. LEGISLATION

5.1. *Local Government Act 1995*

- Sections 2.7(2)(a) and 2.7(2)(b) – Role of council
- Section 6.5 – Accounts and records

5.2. *Local Government (Financial Management) Regulations 1996*

- Regulation 11 – Payments, procedures for making etc.
- Regulation 13 – Payments from municipal or trust fund by CEO, CEO's duties as to etc.

5.3. *Public Sector Management Act 1994*

5.4. *Corruption, Crime and Misconduct Act 2003*

5.5. *Oaths, Affidavits and Statutory Declarations Act 2005*

6. RELATED COUNCIL POLICIES

Policy 1.17 – Gifts to Retiring Members

Policy 2.7 – Regional Price Preference

Policy 2.16 – Payment of Accounts

Policy 2.36 – Entertainment Policy

Policy 2.6 – Procurement and Disposal

Policy 7.5 – Disciplinary Policy

7. RELATED ORGANISATIONAL DIRECTIVES

- Code of Conduct for Councillors, Committee Members and Staff (Employees)

8. RELATED DOCUMENTS

- Shire of Wiluna Record Keeping Plan

REVIEW PERIOD		Every 4 years	
VERSION CONTROL	DATE	APPROVAL BY COUNCIL OR UNDER DELEGATION	MINUTE NUMBER:
1	15 September 2021	Council	108/2021

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APPENDIX A – CORPORATE CREDIT CARD CARDHOLDER AGREEMENT

I (*insert Cardholder's name*) acknowledge that I have read and understood the Council's Corporate Credit Card Policy – 2.41 and agree to comply with the conditions and responsibilities outlined in this Policy and any subsequent change to this Policy.

I acknowledge that I have been authorised a Corporate Credit Card transaction limit of (*insert limit*) for my position with the Shire of (*insert position title*) with a monthly credit limit of \$5,000/\$10,000 (*remove whichever amount is not applicable*).

I acknowledge that a breach of this Policy can lead to disciplinary action in accordance with the Code of Conduct and provisions outlined in Council's Corporate Purchase Card Policy – 2.6.

.....
Cardholder Name

.....
Cardholder Signature

.....
Date

Acknowledgement of Signed Agreement by the Chief Executive Officer or the Deputy Chief Executive Officer, and that this Agreement has been recorded in the Shire's Records Management System.

.....
Signature

.....
Chief Executive Officer
OR
Deputy Chief Executive Officer
(*Cross one out*)

.....
Date