
Cessnock City Council Corporate Credit Card Policy

Date Adopted 17/03/2021 Revision: 1

1. POLICY OBJECTIVES

1.1. This policy establishes:

- 1.1.1. an effective, accountable and transparent process for the usage and handling of credit cards authorised for usage by Council,
- 1.1.2. the standards of acting ethically and without bias in the interests of the local community when using corporate credit cards,
- 1.1.3. the foundation to act impartially by ensuring the best use of resources to further the aims of Council's operations.

1.2. This policy and the objectives set out to be achieved are in line with Council's values and Council's Fraud and Corruption Prevention (**FCCP**) Policy.

2. POLICY SCOPE

2.1. This Policy applies to Council Officials who have been issued with a corporate credit card.

3. POLICY STATEMENT

3.1. Corporate credit cards provide an alternative purchasing mechanism for the purchase of goods and services in an effort to:

- 3.1.1. Streamline the process involved in the purchasing of items via Internet ordering (such as overseas IT equipment, conference expenses).
- 3.1.2. Streamline the purchasing of low value one-off purchases.
- 3.1.3. Enable cardholders to more conveniently and productively manage their workflows and job functions.
- 3.1.4. Ensure that Council continues to conduct its business in a manner that meets industry standards.
- 3.1.5. Corporate credit cards should not be used for recurring purchases. The preferred method of purchasing is via purchase orders.

3.2. Council values are embedded in the development, review and implementation of this policy and its supporting documents to achieve consistent decision-making and

appropriate resolution of ethical dilemmas even when there are no rules to follow. This in turn aids in the prevention and/or control of fraud and corruption.

4. ISSUE AND USE OF CREDIT CARDS

- 4.1. Council Officials requiring a corporate credit card will complete the [Corporate Credit Card Application](#) as well as the [Acknowledgement and Acceptance Form \(Appendix 1\)](#).
- 4.2. The Council Official's Authorising Officer are required to agree to the issuing of a corporate credit card. Before agreeing, the Manager or Director will need to consider the Council Official's job function and related purchasing activities when assessing the need for the card.
- 4.3. Below are outlined the Authorising Officers and what credit card holders they are

Cardholder	Authorising Officer
Councillors including the Mayor	General Manager
General Manager	Mayor
Directors	General Manager
Managers	Relevant Director
Supervisors	Relevant Manager
Staff	Relevant Supervisor

responsible for:

- 4.4. Every corporate credit card application requires an approval from the General Manager before any corporate credit cards are issued.
- 4.5. Purchases of goods and services must be in accordance with Council's Procurement Policy and Guidelines. In addition, Councillors must also adhere to Council's policy on *Councillors' Expenses and Provision of Facilities for Councillors* when using their credit cards for purchasing.
- 4.6. Corporate credit cards are only to be used by the person whose name appears on the card. This means they are issued to individual Council Officials and are not transferable.
- 4.7. Corporate credit cards can be used to purchase or pay for the following expenses by Council Officials who have authorisation to do so:
- 4.7.1. Payment of plant and vehicle registration costs, advertising or utility accounts.
 - 4.7.2. Payment of telecommunications equipment and services.
 - 4.7.3. Purchases of IT accessories and software/applications to be purchased only by cardholders in designated IT roles
 - 4.7.4. Payment of accommodation and meals when Council Officials are attending approved conferences or functions, with the exclusion alcohol and tips or

gratuities unless it is included as part of a meal expense for a business related event and the purchase is not excessive.

- 4.7.5. Payment of membership fees, conference fees or travel costs.
- 4.7.6. Purchase of miscellaneous items of small value, which may include but not limited to:
 - a) Flowers;
 - b) Items for staff recognition awards to be purchased only by cardholders in designated roles;
 - c) Internet purchases, where an account is not able to be established;
 - d) Small tools and any other portable and attractive items which are not capitalised to be purchased only by cardholders in designated roles;
 - e) Emergency purchases to ensure operational works can continue.

4.8. The following payment methods are allowed on corporate credit cards:

- 4.8.1. Over the counter (the cardholder signs a purchase slip or enters a Personal Identification Number (**PIN**) at the time of purchase);
- 4.8.2. By telephone (transaction completed by quoting corporate credit card details);
- 4.8.3. By mail (quote Corporate Credit Card number on orders to suppliers); and
- 4.8.4. Online ordering (ensuring secure online payment service is used).

4.9. Cardholders are to obtain a valid tax invoice/receipt for all purchases made with corporate credit cards. A valid tax invoice for purchases greater than \$50 must include the vendors name or ABN and show details of the purchase including whether GST is applicable or charged, otherwise a Statutory declaration will need to be provided..

5. RESPONSIBILITIES

5.1. Corporate credit card holders are responsible for:

- 5.1.1. familiarising themselves with the issuing bank's instructions concerning the use of credit cards and in particular the requirement for reporting lost, stolen or damaged cards,
- 5.1.2. reporting missing corporate credit cards with the issuing bank in accordance with the bank's Product Disclosure Statement (**PDS**) immediately,
- 5.1.3. checking the monthly statements for accuracy,
- 5.1.4. costing all transactions to correct job numbers,
- 5.1.5. attaching ALL related tax invoices/receipts,
- 5.1.6. providing detailed relevant comments on the expenditure items,

- 5.1.7. signing and dating the monthly statements and obtaining authorisation from their authorising officer within two (2) working days of receiving the monthly statements so that they can review and authorise them,
- 5.1.8. forwarding authorised statements to Council's Finance Team for processing,
- 5.1.9. notifying the Finance team of any disputed transactions with merchants immediately,
- 5.1.10. notifying the Finance team of any expenditure that is not related to Council official business,
- 5.1.11. repaying expenditure that cannot be shown to be related to Council official business,
- 5.1.12. returning all corporate credit cards before end of employment/engagement or civic duty.

5.2. The Finance and Administration Manager is responsible for:

- 5.2.1. Approving the need for the Council Official to hold a credit card, which may include but limited to:
 - a) Purchasing requirements;
 - b) Financial delegations; and
 - c) Nature of role.
- 5.2.2. Assessing and setting the monthly credit limit for each corporate credit card. This is to be done in consideration of:
 - a) the combined monthly limit of all corporate cards;
 - b) the evaluation of the requirements of the role of the Council Official requiring a corporate credit card;
 - c) the Council Official's delegations and authorisations;
 - d) any secondments which have taken place and the relevant delegations and authorisations.
- 5.2.3. Ordering and distributing the corporate credit cards once they have received all the properly completed documentation;
- 5.2.4. Maintaining a register of all Council Officials who have been issued with a corporate credit card, their respective limits and any if, when and for what purpose they have received a replacement corporate credit card;
- 5.2.5. Assess and determine all requests for increasing the card limit or a transaction limit;
- 5.2.6. Terminating or cancelling the use of corporate credit cards;

5.2.7. Conducting annually trend analysis and a review of the transactions to be provided to the Director Corporate and Community Services and reported the Audit and Risk Committee.

5.3. The Finance Team is responsible for:

- 5.3.1. the coordination of the monthly credit card statements;
- 5.3.2. bring to the attention of and documenting any transactions which appear unusual the Operations Accountant;
- 5.3.3. liaising with the issuing bank regarding any disputed transactions.

5.4. The Human Resources Manager is responsible for:

- 5.4.1. informing the Finance and Administration Manager and Finance Team that a Council staff member's employment/engagement is about to end at least a week before the end of their employment, or
- 5.4.2. if the employment/engagement has already ended, at the earliest opportunity possible.
- 5.4.3. informing the Finance and Administration Manager and Finance Team of internal secondments for the purpose of credit card management.

5.5. The General Manager is responsible for:

- 5.5.1. informing the Finance and Administration Manager and Finance Team that a Councillor's civic duty is about to end at least a week before the end of their civic duty, or if a Councillor's civic duty has already ended, at the earliest opportunity possible.
- 5.5.2. Final approval of all credit card requests.

5.6. Reporting of suspected or actual fraud and/or corruption

- 5.6.1. All Council Officials are responsible for reporting any instances of suspected or actual fraud and/or corruption being committed in accordance with Council's FCCP Policy.

5.7. Records management

- 5.7.1. All Council Officials must maintain all records relevant to administering this policy in accordance with Council's Records Management Policy.

6. RISK MANAGEMENT AND FRAUD AND CORRUPTION

PREVENTION

6.1. To ensure compliance with this policy, The Finance and Administration Manager and Operations Accountant will undertake random reviews of transactions and procedures from time to time. The undertaking of these random reviews will be documented in Council's Electronic Document Management System.

6.2. To this end, The Finance and Administration Manager and Operations Accountant may make appropriate enquiries before treating the discrepancies as formal breaches.

7. POLICY BREACHES

7.1. Corporate credit cards are not be used for the following purposes:

- 7.1.1. Any personal or non-business related purposes;
- 7.1.2. To obtain cash advances, over the counter withdrawals or for the purchasing of bank cheques;
- 7.1.3. Payment of infringement fines, even when these were incurred while on Council business;
- 7.1.4. For goods available through Council's Store;
- 7.1.5. High value goods or services that should be accounted for in the planning and resourcing of works or projects;
- 7.1.6. Asset purchases – items of plant & equipment with expected useful lives of over 12 months;
- 7.1.7. To purchase fuel whilst on Council business or private use (Manager and Director only). A fuel card should be used for this transaction, unless the Council Official is not issued with a fuel card or there is no nominated service station available.

7.2. The Operations Accountant can recommend that a Council Official be required to surrender their corporate credit card. This recommendation will be based on evidence that the Council Official has failed to utilise their corporate credit card in accordance with this policy.

7.3. Any cardholder who permits another person to utilise their card, by allowing the other person to pass themselves off as the authorised officers, whether for work purposes or not, is committing an offence of fraud and disciplinary actions and/or criminal proceedings may be initiated.

7.4. Instances of card misuse when detected will be reported to the cardholders Authorising Officer and/or Human Resources to determine the most appropriate manner in which to investigate and handle the misuse. Examples of misuse include, but are not limited to:

- 7.4.1. Purchasing goods and services for reasons other than official Council business;
- 7.4.2. Repeated instances of not obtaining supporting documentation for transactions;
- 7.4.3. Splitting transactions to avoid detection;
- 7.4.4. Using a rewards card during the time of transactions;
- 7.4.5. Failure to adhere to the responsibilities set out in this policy.

7.5. Where a Council Official is found to have breached the provisions of this policy they may be subject to one or more of the following:

- 7.5.1. Reimbursement to Council for unauthorised or unsubstantiated purchases;
- 7.5.2. Surrendering their corporate credit card;

7.5.3. Reducing the cardholders card delegation limit;

7.5.4. Participation in training;

7.5.5. Disciplinary action in accordance with the provisions of the Award, which may include termination of employment; or in the case of Councillors, censure in accordance with the Act.

7.5.6. In some circumstances the matter may be referred to the Police.

8. POLICY DEFINITIONS

Act	means the <i>Local Government Act 1993</i> (NSW)
Council	means Cessnock City Council
Council Official	means Council staff including casual, part time or full time staff, volunteers, consultants, advisors, committee members and contractors, and Councillors

9. POLICY ADMINISTRATION

Business Group	Corporate and Community Services
Responsible Officer	Finance and Administration Manager
Associated Procedure (if any, reference document(s) number(s))	N/A
Policy Review Date	Three years from date of adoption unless legislated otherwise
File Number / Document Number	DOC2021/000696
Relevant Legislation (reference specific sections)	Section 55, <i>Local Government Act 1993</i> (NSW) Section 8, <i>Local Government Act 1993</i> (NSW) Sections 207 & 209, <i>Local Government (General) Regulation 2005</i> (NSW)
Relevant desired outcome or objectives as per Council's Delivery Program	<i>Civic Leadership and Effective Governance</i> Objective 5.3: Making Council more responsive to the Community
Related Policies / Protocols / Procedures / Documents (reference document numbers)	<ul style="list-style-type: none"> ▪ Corporate Credit Card Application (DOC2019/031505) ▪ Records Management Policy (DOC2019/038769) ▪ Fraud Control & Corruption Prevention Policy (DOC2020/097035) ▪ Internal Reporting – Public Interest Disclosures Policy (DOC2018/093182) ▪ Code of Conduct (DOC2018/086716) ▪ Procurement Policy (DOC2013/047731) ▪ Procurement Guideline (DOC2018/103916) ▪ Statement of Business Ethics (DOC2014/005361)

10. POLICY AUTHORISATIONS

No.	Authorised Function	Authorised Business Unit / Role(s)
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Assess requests for issuing corporate credit cards pursuant to clause 4 and provide recommendation whether or not they should be issued	Authorising Officers
Review monthly statements pursuant to clauses 4.3 and 5.1.7	Authorising Officers
Assess and approve the need for a Council Official to hold a corporate credit card pursuant to clause 5.2.1	Finance and Administration Manager
Approve the request for all credit cards pursuant to clause 5.5.2	The General Manager
Assessing and setting the monthly credit limit for each corporate credit card pursuant to clause 5.2.2	Finance and Administration Manager
Assess and determine all requests for increasing the card limit or a transaction limit pursuant to clause 5.2.5	Finance and Administration Manager
Terminating or cancelling the use of corporate credit cards pursuant to clause 5.2.6	Finance and Administration Manager
Investigating alleged breaches and enforcing compliance of this protocol in accordance with policy	Finance and Administration Manager
Make appropriate enquiries regarding any discrepancies in the use of corporate credit cards under this policy before treating the discrepancies as formal breaches	Finance and Administration Manager Operations Accountant

11. POLICY HISTORY

Revision	Date Approved / Authority	Description Of Changes
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1	Credit Card Protocol Adopted by ELT 27/02/19	New Protocol Adopted
2	TBA	Protocol converted to a Policy with the following changes: <ul style="list-style-type: none">- Increased level of controls to reduce misuse of credit cards;- Increased level of reporting and documentation.
3	Policy to Council	Adopted at Council meeting 17 March 2021

12. Appendices

ACKNOWLEDGEMENT AND ACCEPTANCE

ACKNOWLEDGEMENT AND ACCEPTANCE OF CONDITIONS OF USE OF CORPORATE CREDIT CARD

CARDHOLDERS' RESPONSIBILITIES

Cardholders' must ensure that:

1. They have read and understand the 'Corporate Credit Card Policy'. It is essential that each cardholder understands his or her responsibilities in relation to the correct use of the corporate credit card.
2. The corporate credit card is maintained in a secure manner and is guarded against improper use in accordance with the Policy.
3. Corporate credit cards are only used for official Council business purposes.
4. Adequate funds in the Council budget are available to cover the expenditure before it is incurred and that purchases are made in accordance with delegations.
5. Corporate credit cards limits are not exceeded.
6. Deposits are not to be made to the corporate credit card accounts by the cardholder.
7. Corporate credit cards are returned to the Finance and Administration Manager upon termination of employment.

ACCEPTANCE OF CONDITIONS

I acknowledge and accept the above conditions and will act in accordance with Council's Corporate Credit Card Policy.

I certify that I have read and understand the information provided to me in Council's Corporate Credit Card Policy.

Name:

Position:

Signature:

Date: