

Policy F.05 Use of Credit Card



Preamble

The *Local Government Act 1995* (the Act) prescribes that the role of Council includes:

2.7 Role of council

- (2) *Without limiting subsection (1), the council is to –*
- (a) *oversee the allocation of the local government's finances and resources; and*
 - (b) *determine the local government's policies.*

The Act also prescribes that the CEO has a duty to keep records:

6.5 Accounts and records

The CEO has a duty –

- (a) *to ensure that there are kept, in accordance with regulations, proper accounts and records of the transactions and affairs of the local government;*

Further, the *Local Government (Financial Management) Regulations 1996* (the Regulations) require Council to develop procedures for authorization and payment of accounts;

11. Payment of accounts

- (1) *A local government is to develop procedures for the authorization of, and the payment of, accounts to ensure that there is effective security for, and properly authorized use of –*
- (a) *cheques, credit cards, computer encryption devices and passwords, purchasing cards and any other devices or methods by which goods, services, money or other benefits may be obtained; and*

Corporate credit cards are being used more extensively in local government, and when used correctly can streamline the time spent on paper based ordering and payments.

Further, credit cards provide a useful resource in emergency situations, and when it is not possible to raise a purchase order (i.e. when it is impractical to for a goods/ service provider to create the shire as a creditor), and at the same time provides an effective audit trail of expenses.

Objective

To ensure proper controls are in place for the issue to, and use of Corporate Credit Cards issued by Senior and Executive Staff on behalf of the Shire.

Policy

An agreement will be signed by the cardholder and the Shire (in the case of the Chief Executive Officer being the cardholder, the Shire President will sign the agreement on behalf of the Shire and in the case of other staff the Chief Executive Officer will sign on behalf of the Shire) which sets out the cardholder's responsibilities and legal obligations when using the credit card, including:

- The corporate credit card shall only be used for purchasing goods and services on behalf of the Shire. The card is not to be used for personal or non-business use.
- What the cardholder shall do in the event their employment terminates, or they moved to a position which does not require the use of a credit card.
- What the cardholder shall do if they lose or misplace their credit card.
- Credit cards are not transferable to other users, and all surrendered credit or expired cards are to be returned to the Director of Corporate Services for cancellation and destruction, which will be recorded in the register.
- What action is to be taken in the event that a cardholder fails to comply with this policy.

A register will be established to list all cardholders, which will include the card number, expiry date of the card, credit limit and details of the goods and services the cardholder has authority to purchase.

Head of Power

Local Government Act 1995, Section 2.7(2)(a) & (b) and Section 6.5(a). Local Government (Financial Management) Regulations 1996 11(1)(a).

Review Plan

This policy is to be reviewed every four years, review by date 16 April 2019.

Note: *The Local Government Act 1995, does not make provision for the issuing of credit cards to Elected Members as a local government can only pay allowances or reimburse expenses.*

POLICY NO.	F.05
-------------------	------

POLICY SUBJECT	Use of Credit Cards
ADOPTION DATE	16 April 2015
VARIATION DATE	20 June 2019
REVIEW DATE	27 August 2015, 20 June 2019, 18 June 2020