3.22 – CREDIT CARD POLICY

1. POLICY PURPOSE

To provide clear direction on the use of the Shire of Merredin's (the Shire) corporate credit cards to approved cardholders thereby mitigating the risk of fraud and inappropriate use.

2. POLICY SCOPE

The use of corporate credit cards by the Shire's staff.

3. LEGISLATIVE REQUIREMENTS

Liquor Act 1988 [WA]

Local Government Act 1995 [WA]

4. POLICY STATEMENT

a) The issue and use of corporate credit cards shall be strictly in accordance with this policy and management practice.

b) The procurement of goods or services using corporate credit cards shall only occur in instances when the standard methods of raising purchase orders/invoices and/or manual EFT/cheque practices are not available from the preferred supplier.

c) The procurement of goods and services on corporate credit cards shall be in accordance with Policy 3.12 Purchasing Policy.

d) The overall limit of the Shire's corporate credit card facility shall not exceed $30,000. This overall limit can only be increased by Council resolution on the recommendation of the Shire Audit, Risk and Improvement Committee.

e) The scope of the Shire's independent external auditor's interim audit, which reviews the Shire's accounting and internal control procedures, shall include a review of corporate credit card use.

4.1 General Practices

a) Corporate credit cards will only be issued to the Chief Executive Officer (CEO) and Executive Managers of the Shire of Merredin.

b) The CEO shall approve the issue of all corporate credit cards. In the case of the CEO, Council may (in accordance with this Policy and Management Practice) approve the issuing of a corporate credit card as part of the CEO's contract of employment.

c) The Shire's corporate credit cards shall only be used for Shire business related purchases and within approved budget allocations. Under no circumstances are corporate credit cards to be used for personal or private purposes.

d) The cash withdrawal feature on all cards, shall be disabled by arrangement with the Shire's financial institution.

e) The maximum credit limit on any card shall not exceed $10,000, unless specifically approved by the CEO for sound demonstrable purposes.

f) It is the cardholder's responsibility to ensure, prior to any purchase, that there are sufficient funds/credit limit available on their corporate credit card, so as not to exceed the card's limit.

The cardholder can verify their corporate credit card balance with Corporate Services.

4.2 Terms of Corporate Credit Card Use by Cardholders

a) An Agreement between the cardholder and the Shire shall be signed which sets out the cardholder's responsibilities, legal obligations, details of goods and services the cardholder has authority to purchase and actions that will be taken in the event that the cardholder fails to comply with the terms of the Agreement.

b) A Register of all corporate credit cards issued/returned/cancelled will be maintained by Corporate Services. The Register will record the following details:

   a. The cardholder's name and position;

   b. The card number;

   c. The card expiry date;

   d. The card credit limit;

   e. The signature of the cardholder to signify they have received the card; and

   f. The signature of the cardholder to signify they have returned the card.

c) On the cessation of a cardholder's employment, the corporate credit card is to be returned to the Executive Manager Corporate Services (EMCS), who will cancel and destroy the card. The Register will be updated with the cardholder's signature to signify they have returned the card.

d) If a cardholder's corporate credit card is misplaced, damaged or stolen, the cardholder is required to report it immediately to the Shire's financial institution and the EMCS.

e) Cardholders are responsible for the purchases made on their corporate credit card and must sign the statement received at the end of each month certifying they have checked that all transactions listed match their purchases for that month. Cardholders are to obtain in all instances a compliant tax invoice or receipt which records an adequate description of the goods and/or services obtained. The cardholders shall write on the statement or the supporting documents for each transaction, the applicable expense account budget number for cost allocation purposes.

f) All corporate credit card statements from the Shire's financial institution shall be mailed directly to Corporate Services who will distribute the credit card statements to cardholders.

g) Corporate credit card statements (including supporting documentation of the goods or services acquired) must be signed by the cardholder as being true and correct. Statements must then be co-signed by the CEO before being returned to Corporate Services. The CEO credit card must be co-signed by another member of the executive team prior to being returned to Corporate Services.

h) The Shire's Corporate Services Team will:

   a. Reconcile the corporate credit card statements to the total monthly payment made to the Shire's financial institution;

   b. Review the transactions and supporting documents on each corporate credit card statement, and report any irregularities or discrepancies to the EMCS; and

   c. File all corporate credit card statements and supporting documentation.

4.3 Restricted Purchasing of Alcohol

The purchasing of alcohol on corporate credit cards is restricted to legitimate business activities. Alcohol shall only be purchased for and provided at premises under the Shire's control.

The purchasing and use of alcohol is restricted to legitimate business activities, these include:

a) After-hours events, such as the Business and Community After Hours Sundowners or the Shire Christmas Party;

b) Events for visiting dignitaries from State or Federal Government;

c) Events for Councillors and Executive staff from visiting Local Governments; and

d) At Community Volunteer meetings.

The purchasing of alcohol is to be undertaken at the direction of the CEO, with written evidence of the legitimate business purpose.

The purchasing and use of alcohol at events is to be incidental to the purpose of the event and its use must be in compliance with the Public Sector Commission's HOST Test:

Hospitality – To whom is the alcohol being provided to?

Objectives – Why is the alcohol being provided? Does it support the Shire's objectives and priorities?

Spend –Is the expense modest, and is it proportionate to the benefits obtained by the Shire and/or the community.

Trust – Will public trust be enhanced or diminished by the use and purchase of alcohol at the event? Can the rationale behind the purchase be publicly explained and does it uphold the Shire's reputation.

If the use of alcohol at the Shire event is assessed to be a considerable risk in relation to public or staff safety, the Shire's reputation, or the public's trust the purchasing and use of alcohol shall not be permitted.

The application of the HOST test will be made to all purchases of alcohol irrespective of whether it's purchased on a corporate credit card, or any other means.

5. KEY POLICY DEFINITIONS

N/A

6. ROLES AND RESPONSIBILITIES

The EMCS is responsible for this Policy and the CEO is responsible for approving corporate credit card usage and the purchasing of alcohol.

7. MONITOR AND REVIEW

This Policy will be reviewed by the Governance Officer every 2 years.

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