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<tr>
<th><strong>Reference Number:</strong></th>
<th>TRIM Reference: CR19/4339</th>
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<tr>
<td><strong>Type:</strong></td>
<td>Council Policy</td>
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<td><strong>Responsibility:</strong></td>
<td>Director Corporate Services</td>
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<td><strong>Responsible Officer(s):</strong></td>
<td>Manager Financial Services</td>
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<td><strong>Initial Adopted Date:</strong></td>
<td>August 2000</td>
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<td>Adopted 26(^{th}) June 2018</td>
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<td><strong>Next Review Date:</strong></td>
<td>3 Years - June 2021</td>
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| **Legislation:**      | Local Government Act 1999 (SA)  
Local Government (Financial Management) Regulations 2011 |
| **Related Documents:** |  Procurement Policy  
Procurement Protocol  
City of Prospect Delegations Register  
Code of Conduct for Council Employees  
Corporate Governance Framework  
Elected Members Allowance and Benefits Policy  
Code of Conduct for Elected Members |
1 Purpose

The Credit Card Policy (the "Policy") provides the governance framework and guidance to Council’s employees and Mayor in their use of credit cards.

2 Legislative Requirements and Corporate Policy Context

2.1 Local Government Act 1999 (SA).

2.2 Section 125 (Internal Control Policies) of the Act requires council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the council’s assets, and to secure (as far as possible) the accuracy and reliability of council records.

2.3 Section 127 (Financial Statements) of the Act prescribes a Council to produce annual financial statements in accordance with standards required by the regulations.

2.4 Section 129 (Conduct of Audit) of the Act requires an external auditor to form an opinion as to whether there is sufficient evidence providing reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law.

2.5 This has been further elaborated upon within Local Government (Financial Management) Regulations 2011 (the Regulations) at Part 3 – Accounting Principles, Part 4 – Financial Statements and Part 6 – Audit clause 19(b).

2.6 Part 3 of the Regulations prescribes standards adopted are the Australian Accounting Standards overseen by the national peak body for accounting policies and principles, the Australian Accounting Standards Board.

2.7 Part 4 of the Regulation prescribes the statements are compiled according to the Model Financial Statements, according to those published by the Local Government Association (LGA) website www.lga.sa.gov.au on an annual basis for administrative adoption.

2.8 In addition, the LGA has published revised Financial Sustainability Information Papers (FSIP) as part of its ongoing Financial Sustainability Program (FSP) with the aim of harmonising high-level policy positions for Council administration adoption and use.

2.9 The Information Papers are not statutory measures however they are considered best practice for council administrations to commit to. This policy has made particular reference to the LGA FSIP No 18 – Financial Policies and Procedures.

2.10 The Policy also adheres to and identifies specific provisions in the Commonwealth Anti-Money Laundering and Counter-Terrorism Financing Act 2006, primarily concerning identification of staff members in order to initiate a corporate credit card with the issuing bank.

2.11 Credit cards are also subject to the issuing banks regulations, policies and procedures.
3 **Interpretation**

3.1 For the purpose of this policy:

*BPay* - a recognised form of remitting funds electronically to suppliers within Australia.

*Cardholder* - Council Officer or Mayor who has had a Corporate Credit card issued to them.

*Card Provider* - the bank or credit provider issuing the card.

*Corporate Credit Card* - a credit card issued by the City of Prospect bank to a Council officer to help facilitate efficient Council procurement.

*Council* - the City of Prospect Council.

*Authorising Officer* - For the CEO, one of the Directors. For the Mayor, the CEO. All other Cardholders, their direct report manager within their financial delegation.

*Merchant* – the supplier of a good or service.

*Monthly Limit* - the cumulative credit balance that is allowed to be incurred on the Corporate Credit Card per month.

*PIN* - the Personal Identification Number assigned to a card for electronic purchases authorisation.

*Tax Invoice* - A tax invoice is a special type of invoice, which contains specified items of information that are required by the ATO for effective operation of the GST system, refer to *Tax Invoice – Requirements CR17/60794*.

4 **Objectives**

4.1 Corporate credit cards should be recognised as a valuable tool for the efficient and effective operation of Council's daily business and not as a benefit assigned to Cardholder.

4.2 Corporate credit cards are used by Council to transact its business in a more efficient manner and at the same time, provide the Cardholder with a more convenient method to meet costs they incur on Council’s behalf.

4.3 The use of Corporate credit cards is encouraged in undertaking relatively low value, high volume transactions in nature as it has a lower transactional cost when compared with processing standard supplier invoices.

4.4 As well as standard over the counter transactions, Corporate credit cards allow the Cardholder to source goods and services from online and overseas suppliers if necessary and eliminate the need for bank drafts for such purchases.

4.5 Corporate credit cards reduce the need for staff members to use a personal credit card to conduct Council business, and also aid in the minimisation of the use of petty cash within Council.
5 Approvals and Delegations

5.1 The Chief Executive Officer (CEO) has delegated authority to:

- issue corporate credit cards to staff members;
- set the monthly limit of the card; and
- temporarily increase the monthly limit

6 Issuing of Cards

6.1 Finance staff (who are also bank signatories) will be responsible for the collection of cards from the provider banks branch.

6.2 The Cardholder shall formally acknowledge receipt of the card, acknowledge they have read and understood the terms and conditions contained in this Policy and the terms and conditions of use by the card provider.

7 Terms of Use

7.1 The Cardholder must adhere to the Procurement Policy and Procurement Protocol when conducting all procurement activities on behalf of Council.

7.2 The Cardholder may only enter into transactions on behalf of Council that fall within their financial delegation, as outlined in the Procurement Protocols. The financial delegation for the Mayor is outlined in the Elected Members Allowance and Benefits Policy.

7.3 The Cardholder is responsible for Corporate Credit Card and all transactions incurred on it. The Cardholder must be party to all transactions incurred on their card.

7.4 The card may be used for face to face transactions, payments over the telephone or via the internet. The Cardholder must consider the security of each transaction and take reasonable steps to ensure they transact in a secure manner.

7.5 Transactions should be for a single supply in nature, the Merchant supplies a good or service and the card is used to pay for the supply.

7.6 Should the Cardholder wish to enter into a transaction for multiple deliveries or one whereby the Merchant might seek to re-transact on the card at a later time, then the Cardholder must consult with the Manager Financial Services prior to entering the transaction. This is to ensure control of expenditure over the card is retained.

Should such a transaction occur without prior approval from the Manager Financial Services, Finance will try to establish such control of expenditure by contacting the merchant. If this is not possible then the Manager Financial Services will decide when it becomes necessary to cancel that card and order a replacement.
7.7 Personal expenses are strictly prohibited on the Corporate credit card. If by unintentional causes, personal expenses are incurred, the staff member will be personally liable for those transactions. Should a Cardholder routinely incur personal expenses then their Corporate Credit Card will be cancelled. All personal use will be reported to the CEO or Director Corporate Services in the case of the CEO’s card.

7.8 Cash advances are strictly prohibited on the Corporate credit card.

7.9 BPay facilities are not available on the Corporate credit card.

7.10 Corporate Credit Cards cannot be linked to any form of loyalty points program.

7.11 Corporate credit cards may only be used in conjunction with mobile phone wallet facilities such as Apple Pay and Android Pay where the mobile phone is also a City of Prospect issued device.

7.12 A Tax Invoice is required to support each transaction incurred. This may not be provided as a matter of course by all suppliers and the card holder will need to request it at the time of transaction.

For some transactions, a valid Tax Invoice may not always be available, notably if the supplier is not an Australian resident. Consultation with the Finance department is required if difficulties are experienced in obtaining a valid tax invoice.

7.13 The Manager Financial Services can request authority from the CEO to cancel a Corporate credit card at any time. This may arise in situations of misuse either by the Cardholder or a third party, or if the Cardholder is repeatedly not reconciling the card balance in a timely manner.

7.14 Personal expenditure charged by a Cardholder to their Council Card will be treated as a serious breach of policy. Disciplinary action may include, but not be limited to: formal warning, administrative action in the form of card cancellation, cost recovery, Police report and / or criminal proceedings.

7.15 If the Cardholder requires to take the Corporate Credit Card overseas for business reasons, then they must seek approval from the CEO prior to travel.

8 Verification and Reconciliation

8.1 For each transaction the Cardholder must retain the Tax Invoice.

8.2 Early each month, the Cardholder will be notified that their statement for the prior month is available for their reconciliation. The Cardholder will then complete the reconciliation and submit the reconciliation with supporting Tax Invoices to their Authorising Officer to seek authorisation for the expenditure.

8.3 This reconciliation should be completed within a period of 10 business days.

8.4 The Authorising Officer shall check the reconciliation and supporting documentation for accuracy and if there are no errors, the outstanding total expenditure amount shall be authorised.

8.5 This authorisation process should be completed within 5 business days.

8.6 The authorised statement and reconciliation documentation shall be forwarded to the Finance team for processing in the finance system.
8.7 If there is any reason why either the reconciliation process or authorisation process is expected to take longer than the prescribed time, the Finance Department is to be advised.

8.8 All statements will be processed by Finance on a monthly basis. Any unreconciled expenditure will be posted to a Finance department holding account. The Manager Financial Services will report the status of any unreconciled amounts to the Executive Leadership Team (ELT) on a monthly basis.

9 Disputed or Unverified Transactions

9.1 Should the Cardholder become aware that their Corporate credit card is incurring transactions they are not aware of, they need to communicate this with the Manager Financial Services and/or Finance as soon as practical. As a matter of precaution, the card will have a temporary stop placed on it until such a time that the matter is resolved.

Should the Cardholder become aware of the situation outside of normal business hours, they are responsible to contact the Card Provider and request that a temporary stop be placed on their card.

9.2 When such a transaction appears on their statement, the Cardholder should notify Finance whom will communicate with the Card Provider to resolve the issue.

10 Lost or Stolen Cards

10.1 Should the Cardholder become aware that they have lost or had their card stolen then they are required to notify the Card Issuer as soon as reasonably possible. Thereafter they should notify the Manager Financial Services during normal work hours as soon as reasonably possible. A replacement card will be arranged by Finance.

11 Replacement Cards

11.1 Should a card be replaced for whatever reason, it will be re-issued in the same way as the original issue.

12 Cessation of Employment/Entitlement

12.1 The Cardholder will return their Corporate Credit Card to Council at cessation of employment when advised by HR during their exit interview process.

12.2 The Mayor’s Credit Card will be returned to the Chief Executive Officer at the end of their Elected Term.

13 Review

13.1 This Policy will be reviewed once per Council term or as required by legislation.

14 Access to the Policy
14.1 The Policy is available for public inspection on Council’s website www.prospect.sa.gov.au and from Customer Services at the Civic Centre, 126 Prospect Road, Prospect SA 5082.