

Council Policy

Use of Corporate Credit Cards



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| Legislation/local law requirements | <i>Local Government Act 1995</i> Sections 2.7(2)(a) and (b) and 6.5(a) <i>Local Government (Financial Management) Regulations 1996</i> 11(1)(a) |
| Relevant Delegation | N/A |
| Related policy procedures and documents | D20/57483 – New Credit Card Request/ Agreement Form D25/13664– Corporate Credit Card Register |

Introduction

The City of Kwinana recognises the importance of maintaining transparency, accountability, and efficiency in financial transactions. Corporate Credit Cards are issued to employees only when they enhance purchasing efficiency and provide best value to the City. This policy establishes the proper use, management, and oversight of Corporate Credit Cards to ensure compliance with relevant legislation and financial controls.

Purpose

To provide a clear framework that enables authorised City officers to use Corporate Credit Cards for the purchase of goods and services.

Objective

To outline the appropriate use and administration of Corporate Credit Cards within the City of Kwinana. It ensures that all transactions are conducted responsibly, align with Council policies and budgets, and are subject to stringent financial oversight. The policy also sets clear guidelines on cardholder responsibilities, financial management processes, and the consequences of misuse.

Scope

This policy applies to all City Officers that are authorised with corporate credit cards.

Policy Provisions

Definitions

Cardholder means City of Kwinana employee authorised to use a Corporate Credit Card, responsible for its secure, lawful, and policy-compliant use, including transaction reconciliation and adherence to purchasing guidelines.

Chief Executive Officer means the senior executive of the City of Kwinana, responsible for overseeing corporate credit card use, ensuring compliance with financial policies and legislation, and approving card issuance and limits, except for their own, which is approved by the Chief Financial Officer (CFO).

Chief Financial Officer means the officer responsible for managing the issuance, replacement, and cancellation of Corporate Credit Cards, maintaining compliance with financial policies, and overseeing expenditure reviews to ensure proper financial governance.

City Officer means a City of Kwinana employee who, with CEO approval, may be issued a Corporate Credit Card to facilitate business-related purchases in accordance with this policy and financial regulations.

Corporate Credit Card means a Credit Card issued by the City of Kwinana to authorised employees for business-related purchases, ensuring efficiency, accountability, and compliance with financial policies and legislation.

Policy

Credit Cards may only be issued to employees where efficiency and best value can be enhanced in the purchasing of goods and services. Credit Cards must be used appropriately for City purposes within relevant financial delegations and in accordance with policies.

Issuing of Corporate Credit Cards

- Other than for the Chief Executive Officer (**CEO**), approval for the issue of a Credit Card to a City Officer, including credit limits, is to be determined by the Chief Executive Officer.
- Approval for the issue of a credit card to the CEO, including credit limit, is to be determined by the CFO.
- The *Local Government Act 1995* does not allow for the issue of Corporate Credit Cards to elected members of Local Governments. Elected Members are entitled to allowances or the reimbursement of expenses incurred on Council business.

Cardholder Responsibilities

- The cardholder must sign an agreement form, outlining the cardholder's responsibilities, prior to receiving the corporate credit card.
- Meet all requirements when using credit cards pursuant to the Council Procurement Policy and associated procedures
- Ensure the care and safe keeping of the card.
- Cardholders are not to use the corporate credit card for cash advances.
- Cardholders are not to use the corporate credit card for private purposes. If this was mistakenly done, the cardholder should reimburse the City within three working days of identifying the mistake.
- The use of the Corporate Credit Card shall not be tied to any type of reward system that provides cardholders with any personal benefit or reward.
- For payments made by telephone or online, the cardholder should obtain an invoice to document the payment. If an invoice or receipt is not available, the cardholder is expected to retain detailed information about the transaction to support the payment.
- For entertainment-related payments, the cardholder must provide details on the number of people entertained, including those from the City of Kwinana, as well as the purpose of the event. This information is required to ensure the correct calculation of Fringe Benefit Tax for the City.
- The Corporate Credit Card shall only be used for purchasing goods and services associated with the business of the City of Kwinana, which are authorised within the current budget.
- Cardholders are not to split payments of invoices between credit cards.
- Cardholders are not to share their credit card with another City of Kwinana Officer. Purchases are to be made by the cardholder only.
- Purchases must be expended in line with all other Council Policies.
- Cardholders are not to use their credit card in instances where a Purchase Order can be raised, and the purchase can be transacted through Accounts Payable.
- Cardholders are to obtain a compliant tax invoice/receipt, which records an adequate description of goods/services obtained.
- Cardholders are to provide, for approval, a detailed summary of all purchases, reconciling to each monthly statement, no later than seven (7) days after receiving the monthly statement.
- Other than for the CEO, credit card statements are to be authorised by the cardholder's superior line manager.
- In the event that a cardholder is on leave, for longer than one (1) month, the credit card is to be handed to the Chief Financial Officer to hold until they return.

In the event that a cardholder's employment ceases with the City, the credit card is to be handed to the Chief Financial Officer (**CFO**) where arrangements are to be made for the cancellation of the account and destruction of the card.

Cardholder's Direct Manager's Responsibilities

The Cardholder direct manager is to review and approve staff's credit card purchases statements to ensure appropriate business use, consistency with cardholder's role and responsibilities, and compliance with policies and guidelines

The CEO's credit card statement (reconciliation) is to be approved by the CFO.

Finance Responsibilities

The **CFO** is responsible for arranging the issue of the Corporate Credit Card on advice from the Chief Executive Officer.

- The CFO will ensure processes are in place for the coordination of the issue, replacement and cancellation of all corporate credit cards, including:
 - Requiring the provision of a copy of this policy, at the time of issuing a credit card; and signing of a new Credit Card Request/Agreement Form by the cardholder, which will be registered in the City's record keeping system.
- A register of cardholders is to be maintained and stored in the City's record keeping system.
- A review of monthly expenditure undertaken by each cardholder is to be undertaken monthly, by the team responsible for managing the City's finances. All receipts and documentation will be reviewed, and any expenses that do not appear to represent fair and reasonable business expenses are to be referred to the Coordinator Finance responsible for the City's finances (or to the CEO or CFO as relevant) for review/decision.

Legislation

The following provisions of the *Local Government Act 1995* (the Act) and associated regulations impact on the use and control of corporate credit cards:

- Section 2.7(2)(a) and (b) of the Act requires the council to oversee the allocation of the local government's finances and resources and to determine the policies of the local government.
- Section 6.5(a) of the Act requires the Chief Executive Officer ('**CEO**') to ensure that proper accounts and records of the transactions and affairs of the local government are kept in accordance with regulations.
- *Local Government (Financial Management) Regulations 1996* 11(1)(a) requires local governments to develop procedures for the authorisation and payment of accounts to ensure that there is effective security and appropriate authorisations in place for the use of credit cards.

Misuse of Corporate Credit Cards

Misuse of credit cards may lead to disciplinary action being instituted under the relevant terms and conditions of the offending cardholder's employment contract and may lead to the matter being reported in accordance with Part 3 of the *Corruption, Crime and Misconduct Act 2003*.

OFFICER USE ONLY

Officers may amend this section without council approval.

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| Responsible Team | Finance | |
| Initial Council adoption | Date: 27 September 2006 | Ref#: 519 |
| Reviewed/amended | Date: August 2025 | Ref#: 716 |
| Next Review Date | Date: February 2028 | |
| Policy Document Number | D13/69878[v8] | |