

# Corporate Credit Card Policy

## 1. Objective

The objective of this policy is to;

- a. Fulfill all statutory requirements of the *Local Government Act 1995* with respect to Corporate Credit Card usage.
- b. Ensure Corporate Credit Cards are issued and used appropriately by addressing the Office of the Auditor General (OAG) recommendations to Local Government on purchase card management.
- c. Reduce the risk of fraud and misuse.

## 2. Background

A corporate credit card can deliver benefits to local governments as an alternate method of payment in circumstances where the traditional methods of payments such as by cheque or electronic funds transfer are inappropriate or inconvenient.

The OAG, after conducting performance issues on Local Government Management of Purchasing Cards, have issued recommendations to Local Governments on their purchase card management and internal controls.

## 3. Policy Guidelines

The following guidelines provide for the allocation, control and safe custody of corporate credit cards held by the Town of Cottesloe:

- The issue of a corporate credit card is subject to approval by the Chief Executive Officer (CEO). The application must be supported by the relevant Director and demonstrate a regular and demonstrated need to purchase goods and services.
- Each cardholder must have financial delegation and be an on-going permanent employee of the Town.
- The CEO is to limit credit cardholders to a maximum of one per Directorate including the Office of the CEO (maximum of 4 in total).
- The Manager Finance must maintain a register of all cardholders.
- All credit cards shall be held securely by the Manager Finance during periods of leave.
- The Manager Finance is responsible for issuing and the timely cancellation of credit cards, and must be notified immediately of suspicious transactions or termination of employees. A proper record of card cancellations is to be kept.
- The Chief Executive Officer must approve any change to credit card limits.
- Every month the reconciled and approved credit card statements are to be presented to the Director Corporate and Community Services (DCCS) for review. This review and all contents of this review is to be properly recorded.
- A list of expenses made using corporate credit cards is to be presented to Council as part of the List of Payments report. This report is to specify the cardholder's position description, and a description of the expense that provides sufficient information to allow for the appropriate

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scrutiny of public money.

- This policy is to be reviewed annually following a review of purchasing card controls and an evaluation of control effectiveness. These results are to be documented and retained.
- The CEO is responsible for providing clear guidance on what is allowable and reasonable business use in the credit card user agreement.

## 4. Conditions of Use

- Each cardholder must sign the Credit Card User Agreement before taking receipt of the card.
- The corporate credit cards should be stored in a safe place when not being used.
- Corporate credit card use is only for goods and/or services budgeted by the Town of Cottesloe and as per the guidelines provided in the Credit Card User Agreement.
- Travel, alcohol, meals, entertainment and gifts are **restricted uses** and can not be made without written preapproval by the CEO or the *relevant* Director.
- Cardholders must present a reconciled credit card statement to their supervisor for approval each month, this must include receipts for each transaction and preapprovals for restricted uses. If a receipt is not possible, a signed statutory declaration must be provided by the relevant officer.

## 5. Misuse of Corporate Credit Card

The following acts are considered misuse of the corporate credit card and may result in the CEO withdrawing the authority to use a corporate credit card and/or disciplinary action. Instances of alleged criminal or fraudulent misuse will be reported to the Police and or appropriate authorities, in accordance with Part 3 of the Corruption, Crime and Misconduct Act 2003.

- Use of the corporate credit card for personal or non-work related purposes.
- Any cash withdrawals.
- Purchase of restricted uses without preapproval.

Adopted	24 May 2016
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