

## *Our Vision*

Nambucca Valley ~ Living at its best

## *Our Mission Statement*

'The Nambucca Valley will value and protect its natural environment, maintain its assets and infrastructure and develop opportunities for its people.'

### **1.0 Policy Objective**

Corporate Purchase (Credit) cards are a routine aspect of Council's accounts payable and goods procurement functions. When used appropriately, purchase cards provide benefits to Council in the form of streamlined purchasing processes and better utilisation of resources. However, the use of purchase cards involves the potential risk of fraud and misuse. This policy along with the associated procedures document establishes guidelines in order to protect Council funds and to maintain public confidence in Council's operations.

Council officers with purchase cards are to comply with these instructions. It is the responsibility of each employee or Councillor to understand the policies and procedures as well as their meaning and intent. Should an employee have any questions they are to be raised with their respective supervisor or manager. Councillors should contact the General Manager in the first instance.

In observing this policy and the associated Purchase Card Procedures document, Council officers will ensure that they are making a meaningful contribution to Council's objectives which in turn contribute to meeting Council's Mission.

### **2.0 References and Council Documents**

- Local Government Act (NSW) 1993
- Local Government (General) Regulation 2005
- Procurement of Goods and Services Policy No G 12
- Purchase Card Procedure No G 05
- State Records Act 1998
- Councillors Expenses and Facilities Policy No G 06
- Internal Reporting Policy No G 08

### **3.0 Definitions**

**Purchase Card** - a bank issued credit card in the name of Nambucca Valley Council. The card also carries the name of the Council Officer or Elected Representative to whom it was issued. Each card has an individual security PIN that is known only to the cardholder. Cards do not have a cash advance facility.

**Business Purpose** - means that the expenditure has been undertaken for a purpose that is in direct connection with, or as a direct consequence of, the Cardholder's role responsibilities.

**Cardholder** - means the Employee or Councillor who has been issued with a Purchasing card.

#### **4.0 Policy Statement**

##### **DELEGATION OF AUTHORITY**

The Council delegates to the General Manager the authority to incur financial expenditure on behalf of Council under the following provisions:

- Where expenditure has been provided for in Council's budget; or
- Genuine emergency or hardship.
- Other officers may only incur expenditure on behalf of the Council if:
  - The officer has been granted a financial delegation by the General Manager and
  - Expenditure is provided for in Council's budget; or
  - In the case of genuine emergency, or hardship where the power to incur expenditure in these circumstances has also been delegated

The General Manager must approve financial delegations in writing by recording them in the Delegations Register.

##### **ELIGIBILITY**

The provision of a corporate purchase card is a facility offered by Council to officers occupying certain positions from time to time. The officers occupying these positions will be designated by Council as being eligible under this policy.

Council reserves the right to amend, alter or vary the list of eligible positions from time to time. Where an officer occupies a position subject to change, such officer will be consulted and a period of at least one calendar month of notice shall be given of the change.

The General Manager has the right to cancel corporate purchase cards in circumstances that he/she considers warranted.

##### **CREDIT LIMITS**

The maximum credit limit for a Nambucca Valley Council corporate purchase card shall be \$5,000 for all cardholders. The General Manager shall have the authority to determine, within this limit, the credit limits for individual card holders.

##### **CIRCUMSTANCES IN WHICH CARDS MAY OR MAY NOT BE USED**

Corporate Purchase cards must only be used for the payment of goods and services associated with Council business. Activities that would **not** qualify for the use of a corporate purchase card include the following:

- Any use that is of a personal or private nature;
- Cash Advances. No cash advances are available from automatic teller machines or over the counter and BPay facilities are not available.
- The card is not to be linked to any form of award points and any personal award card or membership should not be used in conjunction with the use of the Purchase Card (e.g., Mitre 10 Rewards, Woolworths Rewards, and Frequent Flyer).
- A tax invoice is required to be obtained for every purchase you make. This is required in reconciliation of the Purchase Card transaction.

- If a transaction is done by telephone or by mail order, the cardholder will need to ensure that an appropriate tax invoice is obtained from the supplier and included with the reconciliation.

Where inappropriate expenditure occurs, the value of the expenditure shall be recovered from the card holder and their manager notified. Should there be an accidental transgression, the Finance Section is to be notified and the Council reimbursed immediately.

## **MISUSE OF CARDS**

Staff who misuse cards will have the card removed and will be subject to disciplinary action and/or termination of employment.

Staff who suspect a cardholder of misuse of the card should report the matter in accordance with Council's Internal Reporting Policy No G 08 or directly to ICAC at

<https://www.icac.nsw.gov.au/reporting/report-corruption>

## **FORMAL ACKNOWLEDGEMENT OF POLICY CONDITIONS**

Council officers issued with corporate purchase cards are in a position of trust with regard to the use of public funds. Improper use of that trust may render the cardholder liable to disciplinary action, legal action or criminal prosecution. All purchase card holders are to acknowledge receipt of the purchase card and instructions for use. The acknowledgement will include a signed agreement to abide by all Council and card supplier guidelines and conditions of use.

## **PURCHASE CARD GUIDELINES AND PROCEDURES**

Please refer to the Purchase Card Procedure No G 05. (14223/2015)

## **ANNUAL REVIEW OF PURCHASE CARD FACILITY**

The Financial Accountant is to prepare a written report on an annual basis at 30 June to the General Manager that includes details of:

- Expenditure for the year to date in summary form;
- Any matters indicating the efficiency or effectiveness of the corporate purchase card e.g. card not used;
- Action taken in response to issues raised in the report; and
- The results of action taken in response to issues raised in previous reports.

### **Periodic monitoring and review frequency table**

<b>Indicative Frequency</b>	<b>Nature of monitoring and review</b>
<b>Ongoing</b>	<ul style="list-style-type: none"> <li>• <b>Recording of unusual events (e.g. record instances of reported personal use of credit cards so any recurrence is noted; record Merchants involved in disputed transactions).</b></li> <li>• <b>Assess and act on overdue reconciliations by Cardholders.</b></li> </ul>
<b>6 – 12 months</b>	<ul style="list-style-type: none"> <li>• <b>Review credit card use against credit limits for possible adjustments.</b></li> </ul>

	<ul style="list-style-type: none"> <li>• Review credit cards not used for a significant period to establish if they are still required.</li> <li>• Sample testing of transactions with higher risk of misuse (e.g. check whether transactions properly established value-for-money and compliance with guidelines; check whether transactions with duplicated details are Merchant error).</li> <li>• Statistical analysis of utilisation patterns (e.g. identify opportunities for centralised procurement of some types of goods).</li> <li>• Reconcile Individual Credit Card Application / Statement of Responsibility / Card Statements Issued with the Card Issuer's Card Management Reports.</li> </ul>
1 – 4years	<ul style="list-style-type: none"> <li>• Internal audit review covering credit cards as appropriate (e.g. processes for issue and return; whether reconciliation and review procedures are being followed).</li> <li>• Review expenditure in areas where judgement plays an important role (e.g. travel and meals) in order to assess whether the expenditure is remaining within public expectations.</li> </ul>

## COMPLAINTS

Those persons wishing to lodge a complaint regarding the Purchase Card policy and procedures at Nambucca Valley Council should forward their written complaint to the following address:

General Manager  
Nambucca Valley Council  
44 Princess Street  
Macksville NSW 2447

## 5.0 History

New Policy

<b>Department:</b>	General Manager	<b>Last Reviewed</b>	<b>Resolution Number</b>
<b>Policy Category</b>	Organisation	New Policy	
<b>Endorsed By:</b>	AGMCS	Reviewed by AGMCS Sept 19	
<b>Approval Authority</b>	General Manager	25 November 2021	480/21
<b>Policy Owner</b>	Finance		
<b>Contact Officer</b>	Chief Financial Officer		
<b>Document No.</b>	55661/2021 supersedes 28745/2020		
<b>First Adopted</b>	13 Dec 2018		
<b>Resolution No:</b>	619/18		
<b>Review Date:</b>	November 2022		