

3.05 – CORPORATE CREDIT CARD POLICY

1 POLICY PURPOSE

The purpose of the Norfolk Island Regional Council (Council) Corporate Credit Card Policy (Policy) is to provide guidance on the provision and use of credit cards to ensure effective probity, accountability and transparency regarding their issue and use in accordance with legislative, contractual and policy requirements

2 POLICY OBJECTIVE

This Policy will ensure that operational and administrative costs and the risks associated with credit card use are minimised while providing cardholders with an alternative and practical method of purchasing goods and services on behalf of Council.

3 POLICY SCOPE

This Policy applies to the Mayor and all Council staff issued with a Corporate Credit Card.

4 DEFINITIONS

TERM	DEFINITION
Corporate Credit Card	A credit facility issued by Council’s financial institution via a payment card to allow for the payment of goods and services.
Council	Norfolk Island Regional Council.
Delegate	Staff employed under an agency contract or other contractual arrangement.
General Manager	A person who holds an appointment under section 334 of the <i>Local Government Act 1993</i> (NSW) (NI). This includes a person acting in this position.
Policy	A written plan or general course of action that has broad application throughout the Council. A Policy has a clear objective, a small number of policy elements and should have no procedural content. A Council Policy is adopted by Council resolution and is in place until amended or made obsolete by Council resolution.
Procedure	A set of mandatory processes for staff to follow. A procedure is approved or made obsolete by the Executive Management Team.
Staff	For the purposes of this policy includes employees and delegates such as agency staff and contractors.

5 LEGAL AND POLICY FRAMEWORK

Legislation, Policies and Documents:

Legislation:

- *Local Government Act 1993* (NSW) (NI)
- *Local Government (General) Regulation 2005* (NSW)(NI)

Policies:

- Procurement Policy
- Fraud and Corruption Prevention Policy

Documents:

- Corporate Credit Card Procedure
- Financial Expenditure Delegations
- Procurement Procedure
- Tendering Procedure
- Norfolk Island Regional Council Model Code of Conduct
- Procedures for the Administration of the Model Code of Conduct

6 IMPLEMENTATION

Communication

This policy and supporting documents are to be communicated to all staff and the community via Council's external website and intranet.

7 POLICY STATEMENT

7.1 Corporate Credit Card Roles, Responsibilities and Obligations

The following officers are responsible for the implementation of and the adherence to this Policy:

- General Manager;
- Manager Corporate and Finance; and
- Any staff member approved by the General Manager to have a Corporate Credit Card.

Council will provide Corporate Credit Cards to staff of Council and delegates for the purchase of low value, low risk goods and services, where the issuing of a Council purchase order would not be accepted, or it is more efficient to use a card in lieu of a purchase order. Card usage must be in accordance and compliance with Council Procurement Policy including an officer's existing financial delegation.

The General Manager has delegated authority to authorise the issuing of Corporate Credit Cards. The Manager Corporate & Finance is responsible for the issue of Corporate Credit Cards to authorised personnel.

A Corporate Credit Card can be issued to a Council staff member who has a demonstrated operational need. The use of a Corporate Credit Card is limited to:

- the staff member issued with the Corporate Credit Card;
- the specific transaction and monthly Corporate Credit Card limits and the financial delegation applicable to the cardholder's position;
- the terms and conditions set out in this Policy and the Corporate Credit Card Procedure; and
- the purchase of goods and services for official Council purposes only.

7.2 Corporate Credit Card Benefits

The use of a Corporate Credit Card by staff is considered an efficient purchasing method with the following benefits accruing to Council:

- Improved expense management – Corporate Credit Cards offer a centralised payment system, making it easier for Council to track and manage expenses. This assist in reducing the administrative burden of reconciling expenses from multiple sources and the likelihood of fraudulent transactions;
- Increased control – Corporate Credit Cards come with a variety of controls to manage use, such as spending limits and merchant category restrictions, which allow Council to regulate spending. This assists to prevent and limit overspending and any unauthorised purchases;
- Cash flow management – with Corporate Credit Cards, Council enjoys a higher degree of flexibility and control over its cash flow. Rather than waiting for invoices to be paid, Council uses corporate credit cards to make purchases and pay them off later, often with more favourable payment terms;
- Streamlining procurement – Corporate Credit Cards can be used to expedite the procurement of low value, low risk goods and services, and also assist in streamlining the process of booking travel and managing expenses; and
- Improved financial reporting accuracy – Corporate Credit Cards provide detailed transaction balances and data which can be easily entered into Council’s enterprise resource system, ensuring expenditure incurred is reflected in Council’s monthly and end of financial year reporting.

7.3 Responsibilities of Corporate Credit Card Use

The use of a Corporate Credit Card comes with several responsibilities, including:

- Proper use – a Corporate Credit Card allows Council to transact legitimate expenses which are low in value and come with lower levels of risk. Using a card for personal expenses or purchases which are not related to a staff members Council role and duties is prohibited, as it ensures they are free from potential accusations of fraud and misappropriation;
- Appropriate sourcing – the purchasing of goods and equipment should occur through Council's inventory stores where possible, rather than via Corporate Credit Card purchases, as the stores are often better provisioned to source these items to achieve savings and reduced risk. Additionally, purchases above Council’s minimum procurement threshold (outlined in Council’s Procurement Procedure) must comply with the requirements to obtain quotations, ensuring value for money is still sourced regardless of the procurement method being used;
- Timely approval and reconciliation of transactions - charges made on a Corporate Credit Card are to be reconciled and approved in a timely manner. The card holder’s direct supervisor or manager must approve the card transactions prior to submission of the reconciliation for processing. This ensures appropriate financial governance is followed and permits the timely reporting of Council financial performance, ensuring decisions are made with good information;
- Accurate record-keeping – collection and submission of accurate records of all transactions incurred using a Corporate Credit Card, including receipts / invoices and accurate costing information. This facilitates the timely reconciliation of cards and processing of transactions for financial reporting and budget management purposes;
- Card protection – a Corporate Credit Card must be safeguarded, ensuring that it is not lost, stolen, or used by unauthorised individuals, reducing the risk of fraud or inappropriate use for Council; and
- Compliance with Council policies and procedures – all Council policies and procedures related to the use of Corporate Credit Cards are to be followed, ensuring probity and effective governance.

8 MONITORING AND REPORTING

8.1 Auditing the use of Corporate Credit Cards

All credit card statements and transactions will be inspected / internally audited at regular intervals and it is the responsibility of each cardholder to verify items of expenditure by way of ensuring all invoices / receipts are provided to Finance in a timely manner, or via an explanation if required in order to satisfy the accountability requirements of Council and internal / external audit.

9 REVIEW AND VERSION CONTROL

Policy Number:	3.05	Responsible Officer:	Manager Corporate and Finance
Next Review Date:	June 2024		
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1.0	2016/134	21 December 2016	Developed and adopted
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3.0	2023/56	07 June 2023	Reviewed and adopted