

Policy Section:	6. Finance & Corporate Services
Policy Name:	Corporate Purchase Card Policy
Classification:	Public – Council Policy
Adopted:	28 February 2017
Frequency of Review:	Triennial
Last Review:	January 2017
Next Review Due:	January 2020
Responsible Officer(s):	Manager of Finance & Corporate Services
Policy and Code of Practice Manual File Ref:	CC10/2601
Council File Reference:	CR16/37302
Legislation Authority:	N/A
Related Policies and Codes:	Procurement Policy
Related Procedures:	N/A

1. BACKGROUND

- 1.1 An explicit set of policies and procedures is a necessary tool for sound financial management providing the following benefits:
- 1.1.1 **Public accountability and transparency** – Policies and procedures publicly document Council’s position on which it will base its decisions. They demonstrate the Council’s commitment to sound financial management and establish transparency for audit purposes;
 - 1.1.2 **Ensuring a considered approach** – The formal adoption of carefully documented policies and procedures helps ensure that Council’s position on each issue has been properly considered, having regard to alternative approaches and the wider policy and statutory context;
 - 1.1.3 **Consistency of decision making** – By adopting clear Council policies and procedures a consistent basis for decision-making over time is established. While the Council can make a decision contrary to its adopted policy, it needs a deliberate decision to do so which helps to ensure that proper consideration has been applied;

- 1.1.4 **Clear guidance for staff** – Explicit policies and procedures set out the required approach, responsibilities and processes for staff to properly administer the financial business of the Council in accordance with its wishes and consistent with statutory requirements and sound financial management practices. This in turn protects staff from allegations of financial mismanagement as long as the policies and procedures are followed.

2. PURPOSE

- 2.1 This policy applies to the use of Corporate Purchase Cards and describes the conditions for the authorisation of issue and use of Cards by employees of the Council.

2.1.1 Objectives

The purpose of this policy is to ensure that:

2.1.1.1 Cards are used in the appropriate manner.

2.1.1.2 All purchases are accounted for and reported in a timely manner.

2.1.1.3 Strict controls are in place for the use of Cards.

2.1.2 Delegated Authority

The following officers have the authority to approve the issue of Cards within the guidelines of this policy:-

2.1.2.1 Chief Executive Officer (CEO)

2.1.2.2 Corporate Purchase Cards are to be managed by the Financial Accountant and overall control is the responsibility of the Manager of Finance and Corporate Services.

3. APPLICATION FOR AUTHORISATION TO USE A CARD

3.1 Applications for Corporate Purchase Cards

3.1.1 Applications for the issue of a Purchase Card are to be submitted using the Application for Corporate Purchase Card & Variation Form (Appendix 1) and must include reasons for the need of a card and indicative average monthly limits.

3.1.2 All applications require the recommendation of the Department Manager and then forwarded to the Manager Finance and Corporate Services for assessment as to need and proposed monthly limit.

3.1.3 If satisfied, the Manager Finance and Corporate Services endorses the application form and forwards to the CEO for approval.

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3.1.4 Following approval by the CEO the application form is returned to the Finance Department who will then make the appropriate arrangements with the approved Banking Institution.

3.2 Approval Criteria

3.2.1 Criteria that will be considered in the approval process will include:-

3.2.1.1 Nature of purchases.

3.2.1.2 Volume of purchases

3.2.1.3 Timing of purchases

3.2.1.4 Supplier payment methods.

3.2.1.5 Overall impact on Council purchasing systems

3.2.1.6 Value of the purchase

3.2.1.7 Risk assessment

3.2.1.8 Other existing Corporate Credit cards

4. REVIEW OF CARDHOLDERS

4.1 A review of all Cardholders is to be conducted each 12 months to ensure that there is an ongoing business need to continue the use of Corporate Purchase cards and that the conditions of this policy are being met.

5. CONDITIONS OF USE

5.1 Each officer who is authorised to use a purchase card must comply with the following conditions.

5.1.1 Purchase cards are not to be used where there are pre-existing supply agreements or arrangements currently in place and in use between the Town of Gawler and its suppliers.

5.1.2 Each person who has approval to use a purchase card shall sign the Agreement contained in the "Application for Corporate Purchase Card and Variation Form".

5.1.3 The card holder will maintain strict care over custody and use of the card at all times.

5.1.4 The purchase card is to be used for the purchase of goods and services that have been approved in the Annual Budget.

5.1.5 The card holder is to certify the accuracy of all charges against the card and acknowledge receipt of goods/services.

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- 5.1.6 All purchases made using the purchase card are only to be made within the authorised transaction limit and within the monthly limit for that card.
- 5.1.7 All supporting documentation for purchases, including requirements by the ATO, must be retained. This will generally be a tax invoice. All such documentation is to be attached to the monthly purchase card statement reconciliation and be forwarded to the Accounts Payable Officer within 15 business days from the receipt of the monthly statement.
- 5.1.8 Only Council business purchases are permitted on the card. Cash advances are not permitted.
- 5.1.9 Cards for fuel purchases are not covered by this policy.
- 5.1.10 In the event the card is lost or stolen, the card holder will immediately inform the issuing Bank and contact the Financial Accountant.
- 5.1.11 When a card is no longer required (e.g. due to termination, retirement, resignation, etc.), the cardholder will complete and sign a "Purchase Card Destruction Notice". The corporate purchase card must be cut in half and the issuing Bank will be notified accordingly.
- 5.1.12 The card must not be used for personal use.
- 5.1.13 Any card misuse may result in cancellation of the card and the card holder may face disciplinary action.
- 5.1.14 The Council will not be held responsible for the use of the purchase cards which breach the conditions of this policy and will take appropriate action to recover costs from the cardholder and/or the card user.

6. PAYMENT PROCESSING

- 6.1 Monthly Bank Statements for each cardholder will be reconciled in the following manner:
 - 6.1.1 The card holder will reconcile the Statement with the documentation related to each purchase. All relevant general ledger account codes will be documented on the purchase card statement for each purchase. The card holder along with their direct manager will sign the reconciliation/statement.
 - 6.1.2 Any discrepancies are to be immediately reported to the Financial Accountant. The situation must be rectified before further use of the card is permitted. Any unreasonable delay may result in the card being cancelled without notice.
 - 6.1.3 Copies of all card statement/reconciliations detailing transactions for each cardholder and all supporting documentation will be retained in accordance with normal record management guidelines.

7. REVIEW AND EVALUATION

The effectiveness of this Policy will be reviewed a triennial basis.

The Chief Executive Officer will report to Council on the outcome of the evaluation and if relevant make recommendations for amendments, alteration or substitution of a new Policy.

The Policy will not be altered or substituted so as to affect a process already commenced.

8. FURTHER INFORMATION

Further information about this Policy can be obtained by:-

Telephone: 8522 9211
Fax: 8522 9212
Email: council@gawler.sa.gov.au
Appointment: Town of Gawler
Administration Centre, 43 High Street, Gawler East
Letter: PO Box 130, Gawler SA 5118

9. AVAILABILITY OF POLICY

The Policy is available for inspection during ordinary business hours at the Council principal office, Town of Gawler Administration Centre, 43 High Street, Gawler East or is available on the Council website at www.gawler.sa.gov.au.

A copy of this Policy will be provided to interested parties upon request, for a fee as contained in the Register of Fees and Charges.