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## 2.12 Purchasing Card Policy and Procedures

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<b>Policy Owner</b>	Executive Director Corporate & Commercial Services
<b>Responsible Officer</b>	Manager Finance
<b>Date of Approval</b>	18/07/2012
<b>Amended</b>	17/07/2024

### Objective

1. The objective of this policy and procedure is to establish a clear, efficient and accountable framework for the use of Purchasing Cards (inclusive of credit cards, debit cards, and store-specific purchasing cards). It aims to ensure compliance with applicable laws, regulations, and organisational policies to maintain financial integrity, accountability and transparency.

### Scope

2. This policy and its procedures apply to all authorised personnel involved in the oversight, implementation, use, reconciliation, and approval of Purchasing Cards within the City of Albany ("the City").

### Definitions

- Purchasing Cards: Credit cards, debit cards, and store-specific cards issued to authorised personnel for making official purchases on behalf of the City.
- Authorised Personnel: Employees designated and authorised by the City to use Purchasing Cards for official business purposes.
- Reconciliation: The process of reviewing, verifying, and documenting Purchasing Card transactions to ensure accuracy and accountability.
- Vendor: Any individual or entity providing goods or services to the City.

### Policy Statement

3. The City authorises the issuance of Purchasing Cards to designated personnel for the purpose of making authorised purchases necessary for official business operations.
4. All Purchasing Card transactions must comply with relevant laws, regulations, and internal policies.
5. Purchasing Cards may only be used for legitimate business expenses directly related to the operations and functions of the City.
6. Purchasing cards are intended to be used when the preferred 'invoice paid by electronic fund transfer' process is not an option as a payment method from a particular supplier.
7. Personal expenses, cash advances, and purchases unrelated to official business activities are strictly prohibited.
8. Cardholders are personally responsible for the security and appropriate use of their Purchasing Cards.
9. Purchasing Cards are the responsibility of the cardholder and are not to be shared to other officers that do not have Purchasing Card approval.
10. All Purchasing Card expenditure will be reported at the Ordinary Council Meetings on the 'List of Accounts for Payment' as required under Local Government (Financial Management) Regulations 1996 section 13A.
11. This policy should be read in conjunction with the City's Purchasing Policy and Code of Conducts.

## Procedures

### Issuance of Purchasing Cards:

12. The Finance Department is responsible for overseeing the issuance of Purchasing Cards.
13. Purchasing Cards will be issued to approved persons only.
14. Employees eligible for Purchasing Cards must submit a formal request to their department head or designated authority (Refer **Attachment B – 'Cardholder Approval and Acknowledgment Form'**).
15. Requests for Purchasing Cards must include a justification outlining the employee's need for the card.
16. The Finance Department will review and approve requests based on job responsibilities, spending needs, and compliance with this policy.
17. The CEO is also required to approve issuance requests for Credit Cards only.
18. The Finance Department is responsible for maintaining a register of Purchasing Cards.
19. To enhance security, card eligibility will be reviewed every twelve months by the Finance Department.
20. Store Cards will only be issued for suppliers where the City of Albany has an existing and approved credit facility in place.

### Cancellation of Cards:

21. Purchasing cards are to be returned to the Finance Department before or on the date of the cardholders' exit date or when purchasing cards are no longer required (includes moving within teams internally), for appropriate destruction and cancellation.
22. Cancellation of Purchasing Cards will be made within 14 days of the Finance Department receiving the surrendered card.
23. The Finance Department will acknowledge the return and physical destruction of Purchasing Cards when no longer required.
24. The Manager Finance may remove authority and/or cancel a Purchasing Card issued at any time without notice. Cards not in use may be cancelled.

### Lost or Stolen Cards:

25. Cardholders must report lost or stolen Purchasing Cards immediately to the Finance Department.
26. The Finance Department will deactivate lost or stolen cards and issue replacements as necessary.
27. Cardholders are not liable for unauthorised charges resulting from lost or stolen cards if promptly reported.

### Fraudulent Transactions / Personal use:

28. All Purchasing Cards are not to be used for personal expenses under any circumstances and the cardholder will be personally liable for expenditure that cannot be shown to be related to the business of the City of Albany.
29. Misuse of Purchasing Cards may result in disciplinary action, up to and including dismissal (i.e. use in a manner otherwise than in accordance with the instructions provided).
30. Regular monitoring of Purchasing Card statements is essential to detect any unusual activity. Employees and the Finance Department should be vigilant in identifying and flagging any transactions that appear suspicious or deviate from normal spending patterns. When a potentially fraudulent or personal use transaction is identified, it should be reported immediately to a supervisor or the Finance Department to initiate further investigation.
31. Once a suspicious transaction is reported, the Finance Department will conduct a preliminary investigation to determine if further scrutiny is warranted. This involves reviewing the flagged transactions and contacting the cardholder to verify the details of the transaction. Collecting relevant documents such as receipts, invoices, and authorisation forms is crucial at this stage to confirm the legitimacy of the transactions.

32. If the preliminary investigation indicates the need for a more detailed review, a formal investigation is launched. The Finance Manager (or delegate) is appointed to thoroughly examine the transaction details, looking for patterns or repeated transactions that may suggest fraudulent or personal use. Interviews with the cardholder and other relevant personnel are conducted to gather additional information and context.
33. The evidence gathered during the formal investigation is carefully evaluated to determine whether the transactions in question are fraudulent or personal. The investigation will assess all information, including transaction details, employee explanations, and any supporting documentation. Based on this evaluation, a decision is made regarding the legitimacy of the transactions and the appropriate course of action.
34. If the transactions are deemed fraudulent or personal, appropriate actions are taken to resolve the issue. This may involve requiring the employee to reimburse the organisation for personal transactions or implementing disciplinary measures in accordance with company policy, which can range from warnings to termination. In cases of confirmed fraud, the incident is reported to the relevant authorities for further action.
35. If required, the Finance team will follow up with the City's financial banking institution to report the fraudulent activity and potentially follow the banking institution's processes to be reimbursed the funds.
36. It is important to maintain detailed records of the entire investigation process, including the findings and actions taken. A formal report summarising the investigation, outcomes, and any recommendations for policy or procedural changes should be prepared. This documentation ensures transparency and accountability and can be useful for future reference or audits.
37. Regular monitoring of Purchasing Card transactions continues even after the investigation is concluded to ensure ongoing compliance with the updated policies. This continuous follow-up helps maintain financial integrity and reduces the likelihood of future fraudulent or personal use of corporate purchasing cards.

#### **Personal Rewards or Loyalty Programs:**

38. Public sector guidelines on gifts, benefits and hospitality require that Purchasing Cards should not be used to gain private advantage through the transaction.
39. If the Purchasing Card has an associated reward or loyalty scheme, any benefits of the scheme shall be the property of the City of Albany. Under no circumstances is the reward or loyalty scheme be used for the employee's personal benefit.

#### **Credit Cards (including reconciliation process):**

40. To facilitate the use of Credit Cards, the City will have a credit facility set up with the banking institution it deems the most suitable for the City.
41. The total Company credit limit and individual cardholder credit limits will be reviewed and approved by the Finance Department, based on job responsibilities, spending needs, and compliance with this policy.
42. Officers entrusted with credit cards will purchase in line with their delegated purchasing authority limits as well as the City's purchasing policy.
43. A list of card holders, their card limit, and any purchasing restrictions, are outlined in **Attachment A – 'Current Credit Cards Issued'** of this Policy & Procedure.
44. A Credit Card may be issued on a temporary basis to an officer acting in one of the roles assigned a credit card for periods in excess of three (3) months.
45. Use of credit cards for purchases over the internet should be restricted to trusted secure sites.
46. Prior to making a purchase, cardholders must ensure that the expenditure is necessary, reasonable, and compliant with applicable laws and policies.
47. Cardholders must retain receipts and documentation for all Credit Card transactions and submit them promptly for reconciliation.

48. Reconciliation involves reviewing transaction statements, verifying purchases, and matching them with corresponding receipts and documentation.
49. Credit card holders are responsible for reconciling transactions monthly.
50. The Finance Department will be responsible for disseminating statements to card holders to assist with reconciliations.
51. It is the responsibility of the cardholder to match their supporting documentation to the monthly statement.
52. The cardholder is responsible for reconciling the statement, with all invoices/receipts attached and signing the statement, within five (5) working days of receiving the statement from the Finance Department.
53. If an invoice or a receipt cannot be provided, then as much detail about the transaction must be provided, to be used to support the payment when required. (Date, Company, Address, ABN, Amount, any GST included).
54. The description of each transaction must be detailed, examples of what to provide are as follows:

Type	Description Examples
Accommodation	Reason for stay (i.e. training course), employee name, dates, location.
Training and Education	Course name, employee name, dates, location.
Travel (Flights, Taxi Fares)	Reason for flights (i.e. training course), employee name, dates.
Meals (Meetings, Training)	Where, why meal has occurred, employee/councillors name, name of outside person/business attending a meeting.
Subscriptions (Spotify, Mail Chimp, Software)	Department name, what subscription is for, length of subscription.

55. In some cases, a more detailed explanation of why the expense was incurred and/or a Statutory Declaration may be requested, with the transaction referred to the Manager Finance for approval purposes.
56. Transactions must be accompanied by an account/job number for costing purposes. Any card fees and charges will be costed by the Finance Department.
57. All transactions requested by officers other than the cardholder or the cardholder's personal assistant (if applicable) must complete the Purchasing Authorisation Form (**Attachment C – 'Credit Card Purchasing Authorisation Form'**).
58. The signed statement and all supporting documentation are to be given to the Chief Executive Officer for certification.
59. The Chief Executive Officer's signed corporate credit card statement and all supporting documentation will be provided to the Manager Governance and Risk for certification, and if they are unavailable, an Executive Director.
60. Once certified, all documentation is submitted to the Finance Department for processing, and the CEO's signed corporate credit card statement will be provided to the Mayor for their oversight.

#### **Coles Purchasing Cards (including reconciliation process):**

61. Officers entrusted with Coles Purchasing Cards will purchase in line with their delegated purchasing authority limits as well as the City's purchasing policy.
62. A list of Coles Purchasing Card holders will be maintained in a register held by the Finance Department.
63. Prior to making a purchase using a Coles Purchasing Card, cardholders must ensure that the expenditure is necessary, reasonable, and compliant with applicable laws and policies.

64. Cardholders must retain tax invoices/receipts and documentation for all Coles Purchasing Card transactions.
65. The tax invoice/receipt and all supporting documentation are to be given to the Cardholder's direct supervisor for certification. Once certified, all documentation is submitted to the Finance Department for processing.
66. The submission of the tax invoices/receipts and documentation must include a detailed explanation as to what the transaction was for (e.g. where goods are to be used, why goods are required, who is using the goods e.g. employee/ councillors/ team/ departments/ external person or business), as well as an account/job number for costing purposes.
67. If tax invoices/receipts cannot be provided, a Statutory Declaration may be requested to support transactions on the monthly statement, at the discretion of the Finance Department.
68. The Finance Department will reconcile the monthly statement (where provided) to the transactions provided by Coles Purchasing Card cardholders on a monthly basis.

#### **Compliance and Monitoring:**

69. Non-compliance with this policy may result in disciplinary action, including revocation of Purchasing Card privileges and/or termination of employment.
70. Any suspected instances of fraud, misuse, or non-compliance will be thoroughly investigated, and appropriate actions will be taken in accordance with established procedures.

#### **Legislative and Strategic Context:**

71. The Local Government Act 1995 is also complemented by guidelines and handbooks produced by the Department of Local Government (WA):
  - Local Government Act 1995, s2.7(2)(a) and (b).
  - Local Government Act 1995, s6.5(a).
  - Local Government (Financial Management) Regulations 1996,:
    - Regulation 5; and
    - Regulations 11(1)(a), 12(1) and 13.

The City's Credit Cards are currently issued by the Commonwealth Bank of Australia ("CBA"), with the terms & conditions associated with the credit cards governed under CBA's Terms and Conditions: <https://www.commbank.com.au/important-info/business/business-finance.html>

#### **Review Position and Date**

72. This policy is to be reviewed by the document owner every three years.

**Attachment A – Current Credit Cards Issued**

Position	Card Limit	Limitations
Chief Executive Officer	\$10,000	Nil.
Executive Director Community Services	\$10,000	Nil.
Executive Director Corporate and Commercial Services	\$10,000	Nil.
Executive Director Infrastructure, Development and Environment	\$10,000	Nil.
Personal Assistant to Mayor and Councillors	\$8,000	Nil.
Community Emergency Services Manager	\$2,000	Purchases restricted to expenditure associated with deployment.
Fleet Officer	\$1,000	Purchases restricted to fleet related purchases only.
Total Cardholder Limits	\$51,000	
Total Company Limit	\$55,000	



## Purchasing Card

### Cardholder Approval and Acknowledgement Form

Cardholder's Name: \_\_\_\_\_

Position: \_\_\_\_\_

Type of Card (*Credit / Debit/ Specific Store /Purchasing*): \_\_\_\_\_

Card Limit \$ (If applicable): \_\_\_\_\_

Justification outlining the employee's need for the card.

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### Acknowledgement

I acknowledge receipt of the City of Albany Purchasing Card and agree that:

1. *I will not use the Purchasing Card, nor permit it to be used, other than for official City of Albany business purposes.*
2. *I will always ensure the security of the Purchasing Card, and I will not permit the card to be used by any other person.*
3. *If the Purchasing Card is lost or stolen, I will immediately report it missing to my direct manager and the Finance Team.*
4. *If my position with the City of Albany changes or my employment terminates, or I am asked to surrender the card for any other reason, I will immediately return the card.*
5. *I will retain all original supporting documentation that meets the requirements of a Tax Invoice for presentation to the relevant authorising officer.*
6. *I will ensure that all Work Health & Safety requirements are complied with for all purchases.*
7. *If I misuse the Purchasing Card (i.e. use it in a manner otherwise than in accordance with the instructions provided) I may be liable for disciplinary action, up to and including dismissal.*
8. *I acknowledge that the business issuing the card has its own terms and conditions and have read and agreed to those as issued with the card and updated from time to time.*

Signing (*Signature/Name/Date*):

Cardholder:	Cardholder's Supervisor:
Manager Finance:	CEO (if credit card application):
<i>If applicable, as the Cardholder's Personal Assistant, I agree to the terms &amp; conditions as outlined above.</i>	PA (if applicable):



## Purchasing Card Credit Card Purchasing Authorisation Form

Cardholder's Name: \_\_\_\_\_

Position: \_\_\_\_\_

Requesting Officer: \_\_\_\_\_

Company / Supplier: \_\_\_\_\_

Amount: \_\_\_\_\_ GL / Job Code: \_\_\_\_\_

Description of Goods/Services:

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Check to ensure Company / Supplier is not already a creditor within Synergy (Y/N): \_\_\_\_\_

**Acknowledgement**

I acknowledge and agree to the following conditions upon requesting the above payment to be processed via Corporate Credit Card:

1. *I have read and agreed to the Purchasing Card Policy and Procedure.*
2. *I understand that individual purchasing limits apply and that the requested transaction is not above my authorised spending limit.*
3. *I will retain all original supporting documentation that meets the requirements of a Tax Invoice for presentation to the relevant officer.*
4. *I will only request transactions for Council business use and where normal purchasing guidelines are not appropriate.*
5. *If I misuse the Corporate Credit Card through this transaction (i.e. use it in a manner otherwise than in accordance with the instructions provided) I may be liable for disciplinary action, up to and including dismissal.*
6. *I will ensure that all Work Health & Safety requirements are complied with for all purchases.*

Signing (Signature/Name/Date):

Requesting Officer:	Cardholder / Transaction Processing Officer:
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*Below to be completed by Cardholder/transaction processing officer:*

Amount: \_\_\_\_\_ Date of processing: \_\_\_\_\_

Comments:

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