
2.12 Purchasing Card Policy and Procedures

Policy Owner	Executive Director Corporate & Commercial Services
Responsible Officer	Manager Finance
Date of Approval	18/07/2012
Amended	26/11/2024

Objective

1. The objective of this policy and procedure is to establish a clear, efficient and accountable framework for the use of Purchasing Cards. 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.
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, Buy-local Policy and Code of Conduct.

Procedures

Issuance of Purchasing Cards:

12. The Financial Services Team 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 A – 'Cardholder Request and Acknowledgement Form'](#)).
15. Requests for Purchasing Cards must include a justification outlining the employee's need for the card.
16. The Financial Services Team will review and approve requests based on job responsibilities, spending needs, and compliance with this policy.
17. The Financial Services Team is responsible for maintaining a register of Purchasing Cards.
18. To enhance security, card eligibility will be reviewed every twelve months by the Financial Services Team.

Cancellation of Cards:

19. Purchasing cards are to be returned to the Financial Services Team 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.
20. Cancellation of Purchasing Cards will be made within 14 days of the Financial Services Team receiving the surrendered card.
21. The Financial Services Team will acknowledge the return and physical destruction of Purchasing Cards when no longer required.
22. 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:

23. Cardholders must report lost or stolen Purchasing Cards immediately to the Financial Services Team.
24. The Financial Services Team will deactivate lost or stolen cards and issue replacements as necessary.
25. Cardholders are not liable for unauthorised charges resulting from lost or stolen cards if promptly reported.

Fraudulent Transactions / Personal use:

26. 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.
27. 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).
28. Regular monitoring of Purchasing Card statements is essential to detect any unusual activity. Employees and the Financial Services Team 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 Financial Services Team to initiate further investigation.
29. Once a suspicious transaction is reported, the Financial Services Team 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.
30. 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.

31. 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.
32. 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.
33. If required, the Financial Services 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.
34. 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.
35. 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:

36. Public sector guidelines on gifts, benefits and hospitality require that Purchasing Cards should not be used to gain private advantage through the transaction.
37. 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 to be used for the employee's personal benefit.

Credit Cards (including reconciliation process):

38. 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.
39. The total Company credit limit and individual cardholder credit limits will be reviewed and approved by the Financial Services Team, based on job responsibilities, spending needs, and compliance with this policy.
40. Officers entrusted with credit cards will purchase in line with their delegated purchasing authority limits as well as the City's purchasing policy.
41. A register of card holders, their card limit, and any purchasing restrictions are outlined in a register maintained by the Financial Services Team.
42. 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.
43. Use of credit cards for purchases over the internet should be restricted to trusted secure sites.
44. Prior to making a purchase, cardholders must ensure that the expenditure is necessary, reasonable, and compliant with applicable laws and policies.
45. Cardholders must retain receipts and documentation for all Credit Card transactions to support and substantiate their purchases.
46. Reconciliation involves reviewing the ExpenseMe portal, reviewing the transactions for the billing period, verifying purchases, uploading and attaching receipts, uploading and attaching Purchasing Authorisation forms (where applicable) and providing expense code allocations.
47. All purchases made with purchasing cards must comply with the City's Purchasing Policy, including adherence to purchasing thresholds and minimum quotation requirements. Each transaction should be supported by thorough record-keeping. Where compliance with the Purchasing Policy is not possible, a non-conformance file note must be created to document the reason for the non-compliance. Cardholders are responsible for reconciling all transactions recorded in a billing period.

Regular review and reconciliation of transactions is required to prevent processing backlogs and monitoring for fraudulent activity.

48. Cardholders upon receipt of their purchasing card will be provided with a login to the City's expense management solution ExpenseMe Pro. ExpenseMe allows cardholders to view their transactions and available balance.
49. It is the responsibility of the cardholder to reconcile their supporting documentation to the statement period transactions in ExpenseMe.
50. Cardholders must reconcile their statements by attaching all relevant invoices/receipts and submitting them to their supervisor for authorisation in ExpenseMe. This reconciliation must be completed within a timeframe that allows the Financial Services Team to receive it no later than five (5) working days after the end of the month. While monthly reconciliations are mandatory, it is encouraged and considered best practice for cardholders to review and submit transactions more frequently to ensure timely and accurate reporting.
51. 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).
52. 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.

53. 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 or delegate for approval purposes.
54. Transactions must be accompanied by an account/job number for costing purposes. Any card fees and charges will be costed by the Financial Services Team.
55. All transactions requested by officers other than the cardholder must complete the Purchasing Authorisation Form (**Attachment B – 'Credit Card Purchasing Authorisation Form'**). Purchases requested by an Executive Director to their executive/personal assistant, do not require a Purchasing Authorisation Form.
56. Reconciled ExpenseMe transactions will be reviewed and approved by the Cardholder's direct supervisor. The Chief Executive Officer's reconciled transactions in ExpenseMe will be available to the Manager Governance and Risk for review, and if they are unavailable, an Executive Director.
57. Once completed, all documentation will be available for the Financial Services Team to review in ExpenseMe.

Coles Purchasing Cards (including reconciliation process):

58. Officers entrusted with Coles Purchasing Cards will purchase in line with their delegated purchasing authority limits as well as the City's purchasing policy.
59. A list of Coles Purchasing Card holders will be maintained in a register held by the Financial Services Team.
60. 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.
61. Cardholders must retain tax invoices/receipts and documentation for all Coles Purchasing Card transactions.

62. 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 Financial Services Team for processing.
63. 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.
64. 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 Financial Services Team.
65. The Financial Services Team will reconcile the monthly statement (where provided) to the transactions provided by Coles Purchasing Card cardholders on a monthly basis.

Compliance and Monitoring:

66. Non-compliance with this policy may result in disciplinary action, including revocation of Purchasing Card privileges and/or termination of employment.
67. 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:

68. 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

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



Purchasing Card Cardholder Request and Acknowledgement Form

Applicants Name: _____

Position: _____

Requested Limit \$: _____

Justification outlining the employee's need for the card.

Acknowledgement

1. The issuance of a corporate purchasing card requires the employee to be formally identified with the City's contracted financial institution.
2. I have read and agree to follow the *Purchasing Card Policy and Procedures, Purchasing Policy and Buy Local Policy*.
3. I will not use the Purchasing Card, nor permit it to be used, other than for official City of Albany business purposes.
4. I will always ensure the security of the Purchasing Card, and I will not permit the card to be used by any other person.
5. If the Purchasing Card is lost or stolen, I will immediately report it missing to my direct manager and the Financial Services Team.
6. 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.
7. I will retain all original supporting documentation that meets the requirements of a Tax Invoice for presentation to the relevant authorising officer.
8. I will ensure that all Work Health & Safety requirements are complied with for all purchases.
9. 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.
10. 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:
Cardholder's Executive Director:	Manager Finance:

Processed By: _____

Transaction Limit: _____ Card Limit: _____



Purchasing Card

Credit Card Purchasing Authorisation Form

(for transactions requested by officers other than the cardholder)

Cardholder's Name: _____

Position: _____

Requesting Officer: _____

Company / Supplier: _____

Amount: _____ GL / Job Code: _____

Description of Goods/Services:

- Purchase is under \$2,000 No quotes required
- Purchase is between \$2,001 - \$5,000 1 written quote
- Purchase is between \$5,001 - \$50,000 2 written quotes

Synergy References: _____

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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