



F5 Transaction Card

Policy Objective

This policy is to provide the Chief Executive Officer with a framework of principles to guide the use and management of Transaction Card facilities and which:

- Ensures efficient and effective procurement and payment operations.
- Minimises the risk of misuse, fraudulent or corrupt use.
- Defines Council approved authorised users.
- Defines allowable and prohibited uses.
- Defines management and oversight obligations.
- Defines Cardholder duty of care and responsible use obligations.

Policy

Definitions

Cardholder	means an <u>employee</u> who has been authorised by the CEO to incur expenditure by means of a Transaction Card.
Transaction Card	means a card facility (which may include; credit, store, parking, cab-charge and fuel cards) approved for use in lieu of cash transactions, to incur expenditure for goods and services for the purposes of the Shire of Ravensthorpe business activities only in accordance with relevant Shire of Ravensthorpe Policies.

F5.1 Management Oversight and Reporting

Legislation

- a) Section 6.5(a) of the Local Government Act 1995 prescribes the Chief Executive Officer's (CEO) duty to ensure that proper accounts and records of the transactions and affairs of the Local Government are kept in accordance with regulations.
- b) The Local Government (Financial Management) Regulations 1996 prescribe:
 - i) Regulation 5, the Chief Executive Officer's duties to ensure efficient systems and procedures are established for the proper authorisation of incurring of liabilities and the making of payments.
 - ii) Regulation 11(1)(a) and (2) requires Local Government to develop procedures that ensure effective security for the authorisation and payment of accounts and for the authorised use of payment methods, including credit cards.

F5.2 Determining When Transaction Card Facilities are Appropriate

- a) Transaction Card facilities may be implemented and maintained where the card facility provides benefit to the Shire of Ravensthorpe operations by ensuring:
 - i) goods and services can be obtained in a timely and efficient manner to meet the business needs of the Shire of Ravensthorpe;
 - ii) financial management and accounting standards are met; and
 - iii) purchasing and payment functions are secure, efficient and effective.
- b) Transaction Card facility providers will only be acceptable where, in the opinion of the CEO, they:
 - i) Provide appropriate and sufficient statement, administration and acquittal controls that enable the Shire of Ravensthorpe to sufficiently administer the facility; and



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The Chief Executive Officer shall determine and implement systems and procedures adequate to ensure:

- c) Assessment and selection of Transaction Card facilities suitable to the efficient and effective operations of the Shire of Ravensthorpe;
- d) Authorisation and appointment of suitably eligible Cardholders;
- e) Cardholder duties and responsibilities are documented and Cardholders provided with training;
- f) Monitoring and auditing of Transactional Card activities is planned and reported; and
- g) The Shire President or Deputy President will oversee use of the Chief Executive Officer's Credit Card.

F5.4 Council Approved Authorised Users Matrix

Position	Credit Card	Fuel Card	Debit Card
Chief Executive Officer	\$10,000 limit*	Yes	No
Executive Manager Infrastructure Services	\$5,000 limit*	Yes	No
Executive Manager Corporate Services	\$5,000 limit*	Yes	Yes
Executive Manager Projects and Regulatory Services	\$5,000 limit*	Yes	No
Engineering Technical Officer	No	Yes	No
Facilities Technical Officer	No	Yes	No
Works Supervisor	\$2,000 limit	Yes	No
Manager Childcare Services	\$2,000 limit	No	No
Senior Ranger / Airport Manager	No	Yes	No
Ranger	No	Yes	No
Community Emergency Services Manager	\$2,000 limit	Yes	No
Building Maintenance Officer	No	Yes	No
Tourism Officer	No	Yes	No
Doctor	No	Yes	No
Chief Fire Officer	No	Yes	No
Pool Vehicles	No	Yes	No

* Approval for limited hospitality expenses, subject to being no more than \$1,000 per billing period.



F5.5 Reporting

The CEO will ensure that acquitted transaction statements for each Transaction Card facility are provided to Council as part of the monthly financial reporting regime.

F5.6 Misuse, Misconduct and Fraudulent Use

Any alleged misuse of Transaction Cards will be investigated, and may be subject to disciplinary procedures.

Where there is reasonable suspicion of misconduct or fraudulent activity arising from Transaction Card facilities the matter will be reported to the appropriate regulatory agency, subject to the requirements of the *Public Sector Management Act 1994* and the *Corruption, Crime and Misconduct Act 2003*.

F5.7 Allowable Transactions

Transaction Card facilities may only be used where:

- a) The expenditure is directly arising from a Shire of Ravensthorpe operational business activity for which there is an Annual Budget provision;
- b) The expenditure is in accordance with legislation, the Shire of Ravensthorpe Purchasing Policy, Code of Conduct and any conditions or limitations applicable to the individual Cardholder.
- c) The procurement of the required goods or services is impractical or inefficient if undertaken via a purchase order or is not able to be obtained other than by a Transaction Card;
- d) Supplier surcharges (fees) on transactions are minimised and only allowable where the alternative method of obtaining the supply (i.e. by purchase order) is more onerous, not cost effective or there is no alternative mode of supply.
- e) Reasonable hospitality expenditure may be incurred for business related purposes, and where applicable reimbursed by other organisations for their respective portion of costs;
- f) Official travel, accommodation and related expenses may only occur in accordance with Shire of Ravensthorpe policies and procedures;
- g) Accounts payable payments are made under the direction of the Executive Manager Corporate Services;
- h) A sufficient record of each transaction is obtained and retained in the local government record.

Allowable transaction modes include:

- a) In-person and over the counter retail purchases;
- b) Telephone or facsimile purchasing;
- c) Mail order purchasing and subscriptions;
- d) Internet purchasing.

F5.8 Prohibited Transactions

The Shire of Ravensthorpe prohibits the use of Transaction Card facilities for:

- a) Cash advances;
- b) PayPal payments;
- c) Incurring expenses which are personal or private (i.e. any expenditure which is not an approved Local Government activity);
- d) Making deposits onto the Card, whether to offset misuse or otherwise;
- e) Incurring Capital expenditure;
- f) Incurring expenditure for goods or services which are subject to a current supplier contract;
- g) Incurring expenses which are not in accordance with legislation, the Shire of Ravensthorpe Purchasing Policy, the Annual Budget and / or the conditions or limitations relevant to the



individual Cardholder;

- h) Splitting expenditure to avoid compliance with the Purchasing Policy or to negate limits or conditions applicable to the Cardholder; and
- i) Incurring expenses for the primary purpose of obtaining personal advantage through the transaction (i.e. membership or loyalty rewards).

For clarity, Council Members are prohibited from using Shire of Ravensthorpe Transaction Cards as the Local Government Act 1995 does not provide authority for a Council Member to incur liabilities on behalf of the Local Government. The Act limits Local Governments to only paying Council Member allowances and reimbursing Council Member expenses.

F5.9 Debit Card

Debit card transactions are strictly limited as a means for Authorised Petty Cash / Till Float cash withdrawals. A withdrawal of cash for any other purpose is strictly prohibited.

Any expenditure from a debit card is prohibited.

F5.10 Cardholder duty of care and responsible use obligations

A Cardholder is required to:

- a) Keep the Transaction Card and access information in a safe manner; protected from improper use or loss.
- b) Only use the Transaction Card for allowable purposes and not for prohibited purposes.
- c) Not share/give possession of the allocated Transaction Card to any other persons (Excluding pool vehicle fuel cards).
- d) Obtain, create and retain Local Government records that evidence transactions.
- e) Acquit the reconciliation of Transaction Card usage in the required format and within thirty (30) days of a statement being issued. The onus is on the cardholder to provide sufficient detail for each transaction to avoid any potential perception that a transaction may be of a personal nature.
- f) Return the Transaction Card to the Executive Manager Corporate Services before termination of employment, inclusive of reconciliation records.
- g) Return the Transaction Card to the Executive Manager Corporate Services when on leave for periods greater than four (4) weeks.
- h) Reimburse the Shire of Ravensthorpe the full value of any unauthorised, prohibited or insufficiently reconciled expenditure. (Note: To be done within 5 working days).
- i) Pool vehicle fuel cards must be supported by use of a maintained log books.

Benefits obtained through use of a Transaction Card (i.e. membership or loyalty rewards) are the property of the Shire of Ravensthorpe and may only be used for Shire of Ravensthorpe business purposes. Such benefits must be relinquished by the Cardholder to the Shire of Ravensthorpe. Under no circumstances may such benefits be retained as a personal benefit.



F5.11 Transaction evidence

A sufficient transaction record must include the following minimum information:

- a) Invoice and / or receipt that includes; the date, company name, address, ABN, amount and any GST amount included;
- b) Where an invoice and / or receipt cannot be obtained, the Cardholder must provide a Statutory Declaration, in accordance with the *Oaths, Affidavits and Statutory Declarations Act 2005*, detailing the nature of the expense and sufficient information to satisfy the requirements of subclause (a) above.

DOCUMENT CONTROL BOX		
Custodian: Chief Executive Officer		Decision Maker: Council
Compliance Requirements:		
Legislation: Section 6.5(a) of the Local Government Act 1995 Regs 5 & 11(1)(a) & (2) of the Local Government (Financial Management) Regulations 1996 Public Sector Management Act 1994 Corruption, Crime and Misconduct Act 2003 Oaths, Affidavits and Statutory Declarations Act 2005		
Industry:	Local Government Operational Guidelines Number 5 January 2004 Council Forums	
Organisational:		
Document Management:		
Risk Rating: Low	Review Frequency: Annually	Next Due:
Version #	Decision Reference:	Description:
a	OCM 18/08/2020 Item 14.2	Amended Policy to reflect the current staff structure of the Shire
b	OCM 21/07/2020 Item 13.2	Comprehensive Policy Register Review
c	OCM 19/07/2022 Item 12.1.2	Comprehensive Policy Register Review
d	OCM 17/12/2024 Item 12.1.2	Policy Reconfirmed – No Amendments