

DOCUMENT ON EXHIBITION

*A prosperous
and progressive
community*

Purchase Cards Policy

**Exhibition period: 28 days
18 July – 15 August**

**Please address any queries to;
Financial Operations Coordinator**

**Please submit your feedback in writing
addressed to the General Manager**

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Purchase Cards

DRAFT		VERSION NO	2
COUNCIL MEETING MIN		REVIEW DATE	TBA
DATE:	15 JULY 2025	FILE NUMBER	FIN300032, A014316

Objective

The use of a Purchase Card is an efficient procurement method that saves Council time and money. Some services and suppliers, such as airline flights, accommodation and online subscriptions may be difficult or impossible without credit card use.

Purchase cards usage must be governed by robust controls in order to safeguard Council funds, support governance integrity and uphold public confidence. In accordance with the Local Government (General) Regulation 2021, Council is required to implement an effective internal control system to mitigate risks of fraud and misuse. The General Manager is ultimately responsible for the proper management and administration of credit cards within the Council.

This policy aims to:

- Establish standard purchase card practices across Mid-Western Regional Council.
- Define the responsibilities of Council Officers with delegated authority to purchase goods and services using a purchase card.
- Inform Council and the public about the General Manager's approach to ensuring proper control and oversight of purchase card usage.
- Demonstrate the Council's commitment to oversight and transparency

This policy applies to all credit or debit cards used by Council staff, which includes:

- Corporate Card
- Fuel Card

Legislative requirements

Mandatory

- Local Government Act 1993 - Section 8B
- Local Government (General) Regulation 2021 – Clause 209

Recommended practice (mandatory to consider)

- Guideline on the Use and Management of Credit Cards – Office of Local Government, September 2021 (s23A Local Government Act)

Related policies and plans

- Code of Conduct
- Sustainable Procurement and Contracts Policy
- Fraud and Corruption Control Policy
- Corporate Cards Procedure
- Light Fleet Policy

- Light Fleet General Conditions Procedure

Corporate Card Policy Implementation

Eligibility and Limits

The General Manager has delegated to the Chief Financial Officer (CFO), authority to issue corporate cards to any officer already authorised to purchase goods and services.

- The CFO also determines the credit limits, ensuring they do not exceed an officer's financial delegation.
- Due to the higher risk associated with card purchases, transaction limits are lower than traditional procurement methods.
- Limits may be adjusted or temporarily increased as needed.
- Cards will be blocked from cash advances and risky merchant categories.
- To mitigate risk, the Mayor is the only elected member who holds a corporate card.

Appropriate Use

Corporate cards must only be used for Council-related business expenses. Corporate Cards are assigned to specific officers and must not be shared.

All purchases must be supported by appropriate documentation to verify compliance with procurement policies.

Prohibited uses include:

- Exceeding the monthly credit limit or splitting purchases to bypass transaction limits.
- Exceeding the relevant Council budget
- Cash advances.
- Personal or private expenditure.
- Participating in rewards programs linked to corporate card spending.
- Purchasing tools or items available from Council's store except with prior approval or in an emergency.
- Paying fines of any type. This includes parking or speeding tickets incurred on Council business.

Formal Acknowledgement

Corporate cardholders hold a position of trust regarding public funds. Misuse of the card may result in disciplinary action, legal proceedings, or criminal prosecution.

All corporate cardholders must:

- Acknowledge receipt of the card and usage instructions.
- Sign an agreement to comply with the Council's policies, procedures, and the card supplier's guidelines.

Internal Control and Reconciliation Procedures

Council will put in place appropriate internal controls in a Corporate Cards Procedure to reduce the risk of fraud and misuse. These controls include:

- Identification procedures for new cardholders
- Maintaining a register of cardholders
- Mandatory documentation for all purchases
- Timely cost allocation of transactions
- Supervisor approval for all transactions
- Policy compliance reviews
- Procedures for lost, stolen or damaged cards and for cardholders ceasing employment

Review of General Manager's Card

- The Director of Corporate Services conducts the primary review of transactions on the General Manager's card.
- The Mayor conducts a secondary monthly review.

Review of the Mayor's Card

- The Mayor's transactions are reviewed by the General Manager.
- If any transaction is not obviously appropriate or adequately documented the General Manager will notify the Mayor to rectify the issue. Unresolved matters will be reported confidentially at the next Council meeting.

Review of Corporate Card Facility

An annual review will assess:

- Card usage efficiency and effectiveness.
- Credit and transaction limits for individual cardholders.
- Actions taken in response to identified issues.
- Follow-up on previous report findings.
- Any card inactive for six months will be reviewed with the cardholder and their manager.

Training and Induction

All cardholders must undergo training before receiving a corporate card. Training will cover responsibilities, accountability, and best practices to minimise misuse risks.

Fuel Card Policy Implementation

ELIGIBILITY

Fuel cards are issued to Council vehicles, pool vehicles, minor equipment (e.g. mowers), and vehicles with approved private use.

- The vehicle custodian is responsible for the card's proper use.
- In shared or pool vehicles, the driver at the time is responsible.

APPROPRIATE USE

Fuel cards must only be used for fuel purchases for the assigned vehicle or equipment.

Prohibited uses include:

- Personal or private expenses.
- Participation in rewards programs linked to fuel card spending.
- Purchasing anything other than fuel or necessary vehicle fluids (e.g., oil, coolant).

INTERNAL CONTROL AND RECONCILIATION PROCEDURES

To reduce fraud risks, the Light Fleet Procedure includes:

- Ensuring the fuel card is used exclusively for the designated vehicle/equipment.
- Requiring odometer readings at each refuelling.
- Monthly expenditure reviews by Fleet Administration.
- Signed acknowledgment of the Light Fleet Procedure.
- Procedures for lost, stolen, or damaged cards and for departing employees.