



NOTICE OF MEETING

Dear Councillors

I respectfully advise that the ORDINARY COUNCIL MEETING will be held in Council Chambers, York Town Hall, York on Tuesday, 23 August 2022, commencing at 5.00pm.

MEETING LATE AGENDA ATTACHED

Chris Linnell

CHRIS LINNELL
CHIEF EXECUTIVE OFFICER
Date: 19 August 2022

☛ PLEASE READ THE FOLLOWING IMPORTANT DISCLAIMER BEFORE PROCEEDING ☛

Any plans or documents in agendas and minutes may be subject to copyright. The express permission of the copyright owner must be obtained before copying any copyright material.

Any statement, comment or decision made at a Council meeting regarding any application for an approval, consent or licence, including a resolution of approval, is not effective as an approval of any application and must not be relied upon as such.

Any person or entity who has an application before the Shire of York must obtain, and should only rely on, written notice of the Shire of York's decision and any conditions attaching to the decision and cannot treat as an approval anything said or done at a Council meeting.

Any advice provided by an employee of the Shire of York on the operation of a written law, or the performance of a function by the Shire of York, is provided in the capacity of an employee, and to the best of that person's knowledge and ability. It does not constitute, and should not be relied upon, as a legal advice or representation by the Shire of York. Any advice on a matter of law, or anything sought to be relied upon as a representation by the Shire of York should be sought in writing and should make clear the purpose of the request. Any plans or documents in Agendas and Minutes may be subject to copyright.

MISSION STATEMENT
"Building on our history to create our future"

Order Of Business

12	Business of an Urgent Nature Introduced by Decision of the Meeting.....	3
	SY092-08/22 Application for a Corporate Credit Card and Review of Policy F6 - Corporate Credit Card.....	3

12 BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

SY092-08/22 APPLICATION FOR A CORPORATE CREDIT CARD AND REVIEW OF POLICY F6 - CORPORATE CREDIT CARD

File Number:	4.0463
Author:	Vanessa Green, Council & Executive Support Officer
Authoriser:	Chris Linnell, Chief Executive Officer
Previously before Council:	Not Applicable
Appendices:	1. Reviewed Policy F6 - Corporate Credit Card ↓

NATURE OF COUNCIL'S ROLE IN THE MATTER

Executive

Legislative

PURPOSE OF REPORT

This report presents a proposal to Council for the activation of a second credit card for consideration.

BACKGROUND

The Executive Manager Corporate & Community Services (EMCCS) goes on leave from 19 September 2022 returning on 2 November 2022. In accordance with Policy F6 – Corporate Credit Card Policy, the EMCCS is the owner of the one (1) currently active corporate credit card for the Shire of York.

Due to the length of time the EMCCS will be away and to enable the continuation of efficient procurement of goods and services it is recommended an additional card be provided to the Executive Manager Infrastructure & Development Services (EMIDS).

As a result of the EMCCS' impending leave and the date of Council's Ordinary September 2022 Meeting, this report is presented as a Late Item to Council's August 2022 Meeting for consideration to enable time for the bank to process the card application (subject to Council's approval).

Policy F6 stipulates that Council approval is required for all corporate credit card applications.

COMMENTS AND DETAILS

By having no corporate credit card facility, the Shire could experience disruption to operations given that although rare there are some suppliers, particularly online, who do not accept any form of payment other than via credit card.

Policy F6 stipulates the Shire will hold two (2) corporate credit cards. While there is an allowance within the policy for the Chief Executive Officer (CEO) to hold a card, this is inactive. To enable the EMIDS to be issued with a corporate credit card Policy F6 requires amendment to include the EMIDS as a custodian of a corporate credit card and the removal of the CEO as a card holder. This will allow for continued compliance with the requirement for only two (2) credit cards, should approval for the EMIDS credit card be granted.

A tracked-changes version of the amended policy presented in Appendix 1.

In addition to the removal of the CEO as a cardholder and the inclusion of the EMIDS as a cardholder, the policy contains several flow-on amendments in line with the proposed operational changes to card oversight and authorisations.

OPTIONS

Council has the following options:

Option 1: Council could choose not to approve the application for a second corporate credit card for the EMIDS and not modify Policy F6 – Corporate Credit Cards.

Option 2: Council could choose to approve the application for a second corporate credit card for the EMIDS and the modification of Policy F6 – Corporate Credit Cards as per Appendix 1.

Option 2 is the recommended option.

IMPLICATIONS TO CONSIDER

Consultative

Bendigo Bank

Executive Leadership Team

Strategic

Strategic Community Plan 2020-2030

Goal 5: Strong Leadership and Governance

To have effective and responsive leadership and governance, where a sense of collective purpose and shared direction combine to work together.

Policy Related

F6 Corporate Credit Card

Financial

Nil – the outstanding balance of the credit card is paid automatically each month by direct debit to avoid incurring any interest.

Legal and Statutory

Section 2.7(2)(b) of the *Local Government Act 1995* is applicable to Council's role in relation to policies and states:

"2.7. Role of council

- (1) *The council —*
 - (a) *governs the local government's affairs; and*
 - (b) *is responsible for the performance of the local government's functions.*
- (2) *Without limiting subsection (1), the council is to —*
 - (a) *oversee the allocation of the local government's finances and resources; and*
 - (b) *determine the local government's policies."*

Regulation 11 of the *Local Government (Financial Management) Regulations 1996* is applicable to the management of credit cards and states:

"11. Payments, procedures for making etc.

- (1) *A local government is to develop procedures for the authorisation of, and the payment of, accounts to ensure that there is effective security for, and properly authorised use of —*
 - (a) *cheques, credit cards, computer encryption devices and passwords, purchasing cards and any other devices or methods by which goods, services, money or other benefits may be obtained; and*

- (b) *petty cash systems.*
- (2) *A local government is to develop procedures for the approval of accounts to ensure that before payment of an account a determination is made that the relevant debt was incurred by a person who was properly authorised to do so.*
- (3) *Payments made by a local government —*
- (a) *subject to subregulation (4), are not to be made in cash; and*
- (b) *are to be made in a manner which allows identification of —*
- (i) *the method of payment; and*
- (ii) *the authority for the payment; and*
- (iii) *the identity of the person who authorised the payment.*
- (4) *Nothing in subregulation (3)(a) prevents a local government from making payments in cash from a petty cash system.”*

Risk Related

There are risks inherent in the use of corporate credit cards – financial, compliance, reputational and fraud risk. Therefore, it is imperative that appropriate controls are in place to ensure risks are minimised. Mitigation strategies in place to address corporate credit card use include:

1. The CEO will retain oversight of the use of the corporate credit card(s) by the Executive Managers and provides the final sign-off authorisation on expenses
2. Card expenditure is limited to a maximum of \$5,000
3. Processes for approval of use, evidence and acquittal have been developed and staff training provided

Workforce

Any implications can be managed within current operational capacity.

VOTING REQUIREMENTS

Absolute Majority: No

RECOMMENDATION

That, with regard to the Application for a Corporate Credit Card and Review of Policy F6 - Corporate Credit Card, Council:

1. **Approves the application for a second corporate credit card to be held by the Executive Manager Infrastructure & Development Services.**
2. **Adopts the reviewed Policy F6 – Corporate Credit Card Policy, as presented in Appendix 1.**
3. **Authorises the Chief Executive Officer to make any minor typographical and formatting changes to Policy F6 – Corporate Credit Card Policy prior to publication.**

FINANCE POLICIES

Corporate Credit Card Policy



Policy Number:	F6
Relevant Delegation:	Not Applicable
Adoption Details:	28 January 2016
Last Review Details:	25 November 2019

POLICY OBJECTIVE:

The objective of this policy is to:

- Provide guidance in the issue and use of corporate purchasing and credit cards in order to ensure good governance.
- Reduce the risk of fraud and misuse of corporate purchasing and credit cards and minimise the Shire's financial and reputational risk.
- Fulfil all statutory requirements of the Local Government Act with respect to the use of corporate purchasing and credit cards.
- Adopt best practice in developing a clear and comprehensive policy on the use of corporate purchasing and credit cards.

POLICY SCOPE:

The requirements of this policy covers all Shire employees that are issued with and/or use the corporate purchasing and/or credit card cards.

This policy does not extend to Elected Members, as the Local Government Act does not make any provision for Elected Members to be issued with a Corporate Credit Card. A Local Government can only pay allowances or reimburse expenses to a Councillor.

POLICY STATEMENT:

INTRODUCTION

The Shire will operate a corporate purchasing and credit cards system which permits an appropriate level of cards to be issued within the organisation. The number of cards issued has been reviewed in accordance with the review of this policy to ensure the appropriateness of the number of cards being used and the reason for which the card was issued.

Corporate purchasing and credit cards can serve as an effective way for the Shire to make payment for goods and services. The risks associated with corporate purchasing and credit card use can be minimised through the implementation of effective controls and administration processes. This policy must be understood by the employee/card holder prior to the issuing of corporate purchasing and credit cards.

This policy was created to ensure controlled use of corporate purchasing and credit cards and therefore good governance. Consultation of relevant legislation and industry best practice was undertaken. This policy was reviewed with consideration for the Department of Local Government's Operational Guidelines and WALGA's template policy suite.

PRINCIPLES

- (a) There are always adequate controls in place surrounding the issuing and use of corporate purchasing and credit cards.
- (b) There are effective acquittal practices in place surrounding the use of corporate purchasing and credit cards.
- (c) Purchases made on corporate purchasing and credit cards adhere to the Procurement Policy.
- (d) Purchases made on corporate purchasing and credit cards are as transparent as those processed through the Accounts Payable process.

PROVISIONS

1. ADVANTAGES OF CORPORATE CREDIT CARD USE

The use of corporate purchasing and credit cards shall only be approved if there is a demonstrated need and advantage to the Shire. These include:

- (a) eliminating or reducing time spent on paper-based ordering and payments.
- (b) reduction of administrative costs.
- (c) reducing the number of payments per month.
- (d) provision of a useful resource in an emergency situation.
- (e) reducing the need to carry cash on the premises.

2. CUSTODIANSHIP AND CONDITIONS OF USE

- 2.1 The Shire of York will hold two (2) credit cards. All applications for a corporate credit card shall be approved by the Council.
- 2.2 The corporate credit card may only be used under the direction of the approved custodian.
- 2.3 All credit card expenditure will be reported to Council with the monthly financial report.
- 2.4 The requirement for corporate fuel cards will be determined on a case-by-case basis and approved by the Chief Executive Officer.
- 2.5 Fuel cards will only be used for purchasing fuel for the Shire vehicle (or hire vehicle where appropriate) to which the application relates.
- 2.6 All fuel card expenditure will be reported to Council within the list of monthly creditors payments.
- 2.7 Custodians and account limits are as follows:

Card Type	Custodian	Limit
Credit Card (inactive)	Chief Executive Officer	\$5,000
Credit Card	Executive Manager, Corporate & Community Services	\$5,000
Credit Card	Executive Manager, Infrastructure & Development Services	\$5,000
Fuel Cards	Various employees as approved by the CEO	\$4,000 collective limit

3. REGISTER

- 3.1 A register shall be maintained by the Executive Manager Corporate and Community Services of all Corporate Credit Cards and Fuel Cards issued and kept in a secure location. The register shall include:
- (a) Date of approval by Chief Executive Officer.
 - (b) Name of card holder.
 - (c) Card number and expiry date.
 - (d) Conditions of use of the card.
 - (e) A review date for continuing use of the card, not exceeding 24 months.

4. POLICIES AND PROCEDURES GOVERNING THE USE OF CORPORATE CARDS

- 4.1 The following shall be complied with for controlling the use of Corporate Credit Cards:
- (a) An agreement shall be signed by the cardholder which sets out the cardholder's responsibilities and legal obligations when using the corporate purchasing and credit cards.
 - (b) A secure register managed by the Executive Manager Corporate and Community Services of all current cardholders should be kept which includes card number, expiry date of the card and credit limit. Details of goods and services the cardholder has authority to purchase are outlined in the cardholder agreement.
 - (c) All new and existing cardholders shall be provided with a copy of the policies and procedures relating to the use of corporate purchasing and credit cards and shall formally sign the register to acknowledge that they have read and understood the requirements of the policy.
 - (d) When an employee misplaces their corporate purchasing or credit card, they shall promptly report the matter to the Executive Manager Corporate and Community Services who shall immediately cancel the card.
 - (e) Credit Cards shall not be transferred to other users.
 - (f) Use of the reward schemes, such as Fly Buys and Frequent Flyers, will not be permitted for personal gain.
 - (g) All surrendered Credit Cards shall be destroyed by the Executive Manager Corporate and Community Services in the presence of another employee.
 - (h) In the event that a cardholder fails to comply with the policy's requirements, the Chief Executive Officer shall withdraw the use of the corporate purchasing or credit card and take appropriate disciplinary action. All criminal/illegal acts of alleged misuse shall be reported to the Police and other relevant authorities.
 - (i) The use of corporate purchasing and credit cards for any personal use whatsoever is strictly prohibited.
 - (j) Use of the corporate credit cards for purchases over the internet should be restricted to trusted secure sites.
 - (k) The cardholder will be personally liable for expenditure that cannot be shown to be related to the business of the Shire of York.
-

5. PURCHASING

- 5.1 Corporate purchasing and credit cards shall only be used for purchasing goods and services on behalf of the Shire and in circumstances when the issue of a Purchase Order Number from the Shire is not accepted, appropriate or convenient.
- 5.2 Fuel Cards will be issued to employees where applicable and must only be used when purchasing fuel for Shire vehicles.
- 5.3 Personal expenditure is strictly prohibited.
- 5.4 A Credit Card shall not be used for cash withdrawals.
- 5.5 Purchases by facsimile, telephone or over the internet shall be authorised by the person and all paperwork shall be kept and verified.
- 5.6 The nominated fuel card should be used in preference to a credit card when purchasing fuel unless it is not accepted by the retailer and then the vehicle odometer reading and fuel receipt are to be recorded at the time of purchase.
- 5.7 Credit card purchases are to comply with the Procurement Policy for acquiring of goods and services.
- 5.8 The use of the Corporate Credit Card for purchase of library books can only be exercised by the person responsible for the library collection acquisitions function.
- 5.9 The purchase of meals in York with the Corporate Credit Card is limited to hosting visiting dignitaries, [Council functions](#) –and other [purposes](#) & authorised in advance by [the Chief Executive Officer following consultation with](#) the Shire President.
- 5.10 –Meals purchased while away from York are to comply with the limit value approved from year to year by Council during the budget process.

6. PAYMENTS AND ACQUITTALS

- 6.1 The cardholder will be responsible for providing appropriate and sufficient documentary evidence of all charges, as required, on a monthly basis. Information should include a copy of the GST invoice, account number for costing purposes and an explanation as to why the expense was incurred. Full information requirements are outlined in the Corporate Purchasing and Credit Cards Acquittal and Reporting Procedure.
 - 6.2 Time frames for all payment of accounts shall be monitored by the Executive Manager Corporate and Community Services to ensure that credit charges are minimised and accounts are paid so as not incur a penalty or interest;
 - 6.3 Cardholders cannot approve expenditure incurred on their own cards – these will be referred to the Chief Executive Officer for approval. ~~–the Chief Executive Officer shall refer any such instances to the Executive Manager Corporate and Community Services.~~
 - 6.4 All transactions requested by officers other than the cardholder must complete the Credit Card Authority Form, [which is approved by the Chief Executive Officer.](#)
 - 6.5 The signed corporate credit card statement and all supporting documentation are to be given to the Chief Executive Officer for certification. ~~The Chief Executive Officer's signed corporate credit card statement and all supporting documentation will be provided to the Shire President for certification.~~
 - 6.6 All transactions on Corporate Credit Cards are to be listed and form part of the monthly financial reports to Council in accordance with the requirements of *Local Government (Financial Management) Regulation 13.*
-

PENALTIES:

Not applicable.

KEY TERMS/DEFINITIONS:

Not applicable.

Responsible Officer: Executive Manager Corporate & Community Services
 Contact Officer: Finance Manager
 Relevant Legislation: Local Government Act 1995 – Section 2.7 (2)(a) and (b)
 Local Government Act 1995 – Section 6.5(a)
 Local Government (Financial Management) Regulations 1996 –11
 Local Government (Financial Management) Regulations 1996 – 13
 Relevant Documents: Department of Local Government and Communities (Government of Western Australia) ‘Operational Guideline Number 11’ for the ‘Use of Corporate Credit Cards’.

Review History:

Date Review Adopted:	Resolution Number
Adopted – 28 January 2016	
Reviewed – 24 October 2016	121016
Reviewed – 29 July 2019	
Reviewed – 25 November 2019	291119
Former Policy No:	F1.6