

## 1 PURPOSE

The purpose of this policy is to ensure effective controls, policies and procedures are in place with respect to the use of corporate credit cards (credit cards) by Councillors (including the Lord Mayor) and the Chief Executive Officer (CEO) of the Council.

## 2 SCOPE

City of Darwin is committed to the safe custody, provision and proper use of credit cards by Councillors and the CEO whilst conducting Council business.

Councillors and the CEO are required to apply good judgement for all expenditure incurred whilst conducting Council business. All accountable forms need to be carefully monitored and safeguarded due to their inherent risk of theft, fraud, loss or misuse.

## 3 POLICY STATEMENT

### 3.1 ISSUE OF CREDIT CARD

Before a credit card is issued, the recipient must agree to, and sign conditions of use.

City of Darwin will maintain a register of credit cards issued to Councillors and CEO, including details of the approval, the cardholder, the institution expenditure limits and expiry date.

#### 3.1.1 CEO CREDIT CARD

Council will authorise the issue of a credit card from City of Darwin's banking provider to the CEO with a monthly credit limit of \$10,000 and a maximum limit for single transactions of \$10,000.

The credit card is to have no cash advance facilities. The credit card is not to be linked to any form of award points. Council may further limit the purposes for which the credit card may be used.

#### 3.1.2 COUNCILLOR CREDIT CARDS

City of Darwin may issue a credit card to a Councillor only if the card is necessary for the Councillor to perform their functions and it is not reasonably possible to use City of Darwin's normal procedures for ordering or payment for goods and services. The CEO must set monthly and transaction limits to be applied.

The credit card is to have no cash advance facilities. The credit card is not to be linked to any form of award points. Council may further limit the purposes for which the credit card may be used.

### 3.2 USE OF CREDIT CARD

It is the responsibility of the cardholder to ensure that limits are not exceeded.

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Credit cards should only be used in situations where it is not reasonably possible or cost effective to go through the Council's normal procedures for the ordering or and/or payment for goods and services.

Personal expenditure is not to be charged to a credit card under any circumstances. The cardholder is not to gain any personal benefits from being the holder of the card.

Any expenditure using the credit card must comply with legislative requirements, City of Darwin procurement policy, delegations and directions.

Cardholders are responsible for the safe custody and security of the card and are liable for any misuse and associated costs.

The cardholder is not to allow others to use the credit card and must not disclose the personal identification number (PIN) or access codes to any person.

Any Councillor credit card issued is to be reconciled monthly and that reconciliation is to be reviewed and subsequently authorised by the CEO.

The CEO's credit card is to be reconciled monthly. However, that reconciliation is to be reviewed and subsequently approved by the Lord Mayor.

The cardholder must ensure that all required documentation specified below is kept in relation to every use of the credit card. The cardholder must keep up to date with monthly reconciliations.

### 3.3 MISUSE OF THE CREDIT CARD

Misuse of the credit card is a serious matter and may constitute a breach of this policy and criminal legislation. Suspected or inadvertent misuses of the credit card must be reported, investigated and dealt with in accordance with credit card management procedures.

Deliberate or inadvertent misuse of credit cards may result in actions for breach of Code of Conduct, criminal proceedings and full recovery of monies.

### 3.4 REQUIRED SUPPORTING DOCUMENTATION

Supporting documentation must be obtained by the cardholder for every expenditure when using the credit card. For all transactions above \$82.50 (including GST), there must be a tax invoice that should include:

- a) the Supplier's name;
- b) the Supplier's Australian Business Number (ABN);
- c) the date of the expenditure; and
- d) a brief description, where possible, of the supplies purchased.

If the supporting documentation is for some reason lost or destroyed, a statutory declaration must be completed by the cardholder giving full details of the transaction and explaining why the documentation is not available.

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Credit card reconciliations must not be approved without appropriate supporting documentation or an appropriate statutory declaration.

Where supporting documentation for a CEO's credit card purchase cannot be provided, the Lord Mayor must not approve the monthly credit card reconciliation unless a statutory declaration is attached.

If a cardholder regularly makes use of a statutory declaration, the matter of repeated failure to keep tax invoices must be brought to the attention of Council and the Council will consider whether it is appropriate for the person to continue being a cardholder.

### 3.5 CREDIT CARD RECONCILIATIONS

Each cardholder will be issued with a monthly credit card statement listing all their purchase transactions for a particular month.

It is the responsibility of the cardholder to match their supporting documentation to the monthly statement and return all documentation within 7 days of receiving the statement.

The reconciliation must include information for each transaction, including transactions of \$82.50 (including GST) or less.

The CEO approves reconciliations of credit cards held by Councillors. The Lord Mayor approves the reconciliation of the CEO's credit card.

Repeated failure to meet the required timeframe must be brought to the attention of Council and the CEO may review whether it is appropriate for the person to continue being a cardholder.

The CEO is to notify the Lord Mayor and Council's Finance Team as soon as possible if there is a disputed card transaction in relation to the credit card held by the CEO. A Councillor is to notify the CEO as soon as possible if there is a disputed card transaction in relation to a credit card held by the Councillor.

Where a Councillors credit card has been inadvertently used for personal use, the CEO must not approve the monthly credit card reconciliation unless the amount has been repaid to Council and a receipt is attached.

Where a CEO's credit card has been inadvertently used for personal use, the Lord Mayor must not approve the monthly credit card reconciliation unless the amount has been repaid to Council and a receipt is attached.

### 3.6 CREDIT CARD CANCELLATION AND REPLACEMENT

If a credit card is lost or stolen, the cardholder must immediately contact the issuing institution to report the loss and cancel the card. If the cardholder is a Councillor, the matter must be reported as soon as possible to the CEO. If the CEO is the cardholder, the matter must be reported to the Lord Mayor.

In the above circumstances, the CEO is to ensure that the credit card has been cancelled, arrange a replacement card (if appropriate) and update the credit card register.

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### 3.7 RETURN OF CREDIT CARD

The cardholder is to return the credit card to the Council as soon as the card is no longer required or, if leaving the Council, on or before the last day with Council.

The CEO is to ensure that all returned credit cards are cancelled, destroyed and that the register is updated.

## 4 DEFINITIONS

Nil

## 5 LEGISLATIVE REFERENCES

*Local Government Act 2019* (NT)  
Local Government (General) Regulations

## 6 PROCEDURES / RELATED DOCUMENTS

Corporate Credit Cardholder Agreement

## 7 RESPONSIBILITY / APPLICATION

The CEO is accountable for the overall establishment and periodic review of this policy. The CEO and Councillors are responsible for responsibilities contained within this policy.

This Policy is subject to review every two (2) years, or as deemed appropriate, thereafter.

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