



Council has received a media inquiry about the way in which it purchases goods. The inquiry focused on the use of credit cards in Council business.

Council purchases a diverse range of goods in order to deliver services to the community.

This can be anything from printing and paper to bins and bitumen.

The way in which these goods are purchased is governed by our Procurement Policy which, along with more detailed internal policies and guidelines, set the rules under which items can be purchased.

All transactions are recorded in Council's business management software system.

Council pays for most goods by completing a purchase order request through its internal business management software. This action generates a purchase order number which is then provided to the business selling the goods to Council. The businesses add this number on their invoice to Council and payment is finalised with the check between the invoice, the purchase order number and through an internal approvals process with oversight provided by the Finance team and either a manager or director.

This process is rigorous but also takes up a considerable amount of staff time.

To provide an alternative and more efficient payment method, credit cards have been more widely introduced.

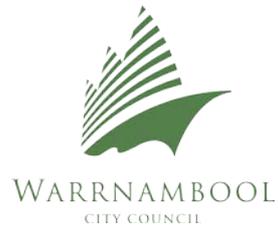
These are usually suited to lower value transactions and they have saved hundreds of hours in processing time.

Council has 81 active credit cards which are used by Council staff. No Councillors are issued with credit cards.

There are a series of checks and balances in place to ensure the cards are used appropriately.

The process includes:

- Transactions are downloaded from the bank into the Council's business management software.
- Cardholders are responsible for agreeing the transaction and entering the appropriate account number.
- Cardholders must attach a tax invoice as evidence of the purchase.
- If a tax invoice is not available a statutory declaration must be signed.
- Cardholders electronically send the agreed transactions to their manager for approval.
- After a manager has approved a transaction, it is electronically sent to the purchase card administrator to ensure compliance.
- An annual declaration is made by the cardholder stating that they agree to the credit card policy and procedures.



- An annual review by the Financial Services team is performed to ensure that the cardholder limits are appropriate.

This process has satisfied a review by Council's Audit and Risk Committee.

Ultimately, the Council's financial management is reviewed annually by the Victorian Auditor-General's Office.