

Circular Details	21-29 / 13 September 2021 / A778846
Previous Circular	N/A
Who should read this	Councillors / General Managers / Finance staff
Contact	Policy Team / (02) 4428 4100 / olg@olg.nsw.gov.au
Action required	Council to Implement

Release of the *Guideline on the Use and Management of Credit Cards*

What's new or changing

- The Office of Local Government (OLG) has developed the *Guideline on the Use and Management of Credit Cards* (the Guideline) under section 23A of the *Local Government Act 1993*.

What this will mean for your council

- Councils must take this Guideline into consideration when developing or reviewing their credit card policy. This will ensure greater consistency across the sector in terms of how credit cards are managed, and inherent risks are minimised.
- The Guideline is divided into two parts:
 - Part A provides a list of core responsibilities that councils should consider as foundational elements of their credit card policy and related procedures; and
 - Part B provides operational guidance that expands on these core responsibilities with practical advice on best practice credit card management and the responsibilities of individual cardholders, including risk management, preventative controls and detective controls.
- The Guideline is based on the NSW Treasury's credit card policy and guidelines for NSW state agencies ([TPP21-02 Use and management of NSW Government Purchasing Cards](#) (PDF)) to the extent its principles are relevant to local government.
- The Guideline was developed in response to a performance audit of credit card usage at six local councils by the NSW Audit Office, which released its [Final Report](#) on 3 September 2020.

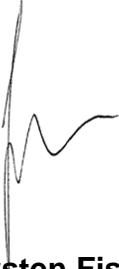
Key points

- The use and management of credit cards by councils is an important element of council operations and internal controls that must be included in each council's risk management framework.
- Councils that do not have a credit card policy should note that the [audit risk and improvement committees](#) (ARIC's) that are to be required from 4 June 2022 will review certain aspects of a council's operations, including risk management and fraud control.

- The Guideline provides an overarching framework and suggested considerations and approaches to guide the development and/or review of credit card policies and related procedures.
- It also allows for sufficient flexibility to allow councils to shape a policy tailored to their size, complexity and risk profile.

Where to go for further information

- The Guideline is available on OLG's website at:
<https://www.olg.nsw.gov.au/councils/council-finances/credit-cards/>.
- For further information please contact the Policy Team on (02) 4428 4100 or by email at olg@olg.nsw.gov.au.



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