

# Purchasing Card (PCard) Policy

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## Purpose of this policy

The Purchasing Card (PCard) policy specifies the requirements for using PCards and Virtual Cards within the Department of Planning and Environment (the department) and the Planning and Environment Cluster (Cluster) to ensure that departmental and Cluster resources are used efficiently and in a manner that maintains public trust, as is required by the department's Code of Ethics and Conduct.

This policy also establishes controls and procedures for the administration and use of PCards and identifies the accountability requirements for employees issued with a PCard, as well as those of their people leader (such as their manager).

In this policy, the term PCard also denotes a reference to a Virtual Card

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## To whom this policy applies

Only permanent, temporary, and some casual employees are eligible for a PCard. Contractors and volunteers are not eligible for a PCard. Casual employees should seek guidance from the PCard Program Administrator to assess their eligibility.

This policy applies to all employees of the department. It also applies to employees of all Cluster entities that have people employed in or through the department.

This policy also applies to the Executive and Separate Agencies within the Cluster that have adopted this policy (see Table 1 – Policy Metadata).

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## Policy statement

### Guiding principles

The department must be efficient, economical and ethical in its use and management of public resources. The principles underpinning objectives of the department's PCard Policy are to:

- enable flexible, efficient and cost-effective methods of purchasing business-related goods and services
- ensure value for money in the procurement of quality goods and services
- support the department to meet its obligations to suppliers
- ensure accountability, consistency and alignment in financial management practices within the department and Cluster entities.
- identify sustainable and socially responsible purchasing solutions
- maintain standards of transparency, probity, ethics and integrity
- comply with NSW Government policy, namely [TPP21-02 Use and Management of NSW Government Purchasing Cards](#).

The policy and associated procedure are consistent with the core requirements of NSW Treasury's [TPP21-02 Use and Management of NSW Government Purchasing Cards](#):

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- Core requirement 1: The Agency Head is ultimately responsible for the proper management and administration of PCards within the Agency
- Core requirement 2: Cardholders understand and are accountable for the responsible use of PCards.

PCards are:

- to be used for all business purchases under \$10,000 (inclusive of GST) where practicable and where the card limit permits
- to be used for travel-related expenses (meals, taxi, car parking and similar) where a travel allowance or reimbursement will not be claimed by the employee
- issued to individual employees, but the ownership of the PCard and the responsibility for payment to the Card Issuer is the Agency's responsibility
- provided to employees only where a legitimate ongoing business requirement can be demonstrated
- individually issued personally to the employee in the role that they are employed to undertake at the time of issue. Any changes to the role or Division of employment of the employee within the department or Cluster agency may necessitate return and closure of the PCard and, where appropriate, re-issuing of a new PCard.

## Key requirements

The key requirements for the use and management of PCards are:

- prior to issue, an employee must enter into an agreement with both the department and the Card Issuer about the use of that PCard and complete a mandatory assessment to demonstrate their understanding of the responsibilities of holding a PCard.
- a register of PCards will be maintained by the Business Services Division within Corporate Services to allow oversight of all current PCards in use by the department and Cluster agencies
- an audit of the PCard register will be undertaken by Corporate Services, at minimum, on an annual basis
- Corporate Services administer an assurance processes to detect inappropriate card use.

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## Failure to comply with this policy

Ethical and behavioural standards you are expected to demonstrate while working with the department are set out in the [Code of Ethics and Conduct](#). If you fail to meet those standards, corrective action may be taken in accordance with the [Code of Ethics and Conduct](#) and as outlined within the Roles and Responsibilities of this policy (for example making a PCard limit zero or revoking a manager's delegation.)

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## Review timeframe

The policy owner will review this policy no later than 3 years from the date the document is approved. The document may be reviewed earlier in response to post-implementation feedback, changes to legislation, or as necessary.

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## Related documents

Other documents that should be read in conjunction with this policy:

- Cluster PCard Procedures

## Policy metadata

Table 1. Policy metadata

| Category                     | Description  |
|------------------------------|--|
| Status                       | Approved   |
| Date of approval             | 14 December 2021   |
| Approver                     | Group Deputy Secretary Corporate Services  |
| Group                        | Corporate Services   |
| Division                     | Business Services  |
| Policy owner                 | Executive Director business Services   |
| Branch                       | Finance Shared Services  |
| Document location            | DPE Intranet and Internet  |
| Next review date             | 1 December 2024  |
| Associated procedure         | DPE PCard Procedures<br>DPE Travel Procedures  |
| Any additional applicability |  |
| Superseded document          | DPE PCard Policy<br>Dou PCard Policy<br>OEH PCard Policy                             |
| Further information          | <a href="mailto:Finance.support@dpie.nsw.gov.au">Finance.support@dpie.nsw.gov.au</a> |
| Document Reference           | Industry CM0 POL21/33  |

## Version control

Table 2. Version Control

| Version | Date issued      | Change   |
|---------|------------------|--|
| 1       | 20 December 2021 | New policy                                       |
| 1.1     | 3 May 2022       | Updated to reflect new branding and name change. |

## Appendices

Appendix 1 – Definitions

Appendix 2 - Roles and responsibilities

Appendix 3 – Cardholder Statement of Responsibility

## Appendix 1 – Definitions

Table 3 - Definitions

| Terms  | Definitions  |
|--|--|
| <b>Cardholder</b>                              | Means the employee who has been issued with a PCard.   |
| <b>Card Issuer</b>                             | Means the Government-nominated service provider for the administration and provision of PCards.  |
| <b>Controls</b>                                | Refers to the systems, policies, procedures, and processes that are designed to provide reasonable assurance regarding the achievement of objectives in the following categories: <ul style="list-style-type: none"> <li>• effectiveness and efficiency of operations</li> <li>• reliability of financial reporting, and</li> <li>• compliance with laws and regulations.</li> </ul> |
| <b>Employee</b>                                | Comprises all who are defined as a 'government officer' at <u>s. 2.9 Government Sector Finance Act 2018</u>  |
| <b>Legitimate ongoing business requirement</b> | Means that the expenditure has been undertaken for a purpose that is in direct connection with, or as a direct consequence of, the Cardholder's role responsibilities.   |
| <b>PCards Register</b>                         | Means the register referred to in section Key Requirements   |
| <b>Purchasing card (PCard)</b>                 | Refers to a credit card issued by a bank, building society or credit union which is used by a Cardholder to engage in transactions relating to the purchase of goods and services on behalf of the Agency. Purchasing cards are also known as corporate cards, Government cards, and procurement cards.  |
| <b>Virtual card (VCard)</b>                    | Refers to a virtual version of a PCard, which works in the same way as a PCard without the physical card being issued. In this policy, the term PCard also denotes a reference to a VCard, for example the virtual PCard attached to the FCM travel booking system.  |

## Appendix 2 - Roles and responsibilities

Table 4: Roles and responsibilities

| Roles                              | Responsibilities  |
|------------------------------------|---|
| <b>Agency Head</b>                 | Ensuring that an effective and appropriate PCard policy and associated procedure for the use and management of PCards are developed and implemented by the Corporate Services Group.  |
| <b>Cardholder</b>                  | <ul style="list-style-type: none"> <li>• Complying with the requirements of this policy and associated procedure.</li> <li>• Complying with the terms and conditions of the PCard issuers.</li> <li>• Understanding and acknowledging the Cardholder Statement of Responsibility at Appendix 3.</li> <li>• Safety and security of their PCard and account details, including storage of the PCard when not required for official business such as when the employee is on leave.</li> <li>• Knowing the administrative conditions of their PCard and account, including relevant limits, thresholds and restrictions.</li> <li>• Ensuring that the credit limits and delegation authorities are not exceeded (purchases must not be split to negate the credit transaction limits).</li> <li>• Obtaining and retaining relevant documentation relating to transactions.</li> <li>• Timely acquittal of transactions, which need to be acquitted within 28 days, If this is not adhered to their PCard limit may set to zero by the PCard Program Administrator.</li> <li>• Reporting lost or stolen PCards to the Card Issuer and Finance Shared Services.</li> <li>• Timely reporting of unauthorised transactions.</li> </ul> |
| <b>Finance Shared Services</b>     | <ul style="list-style-type: none"> <li>• Maintaining a central register of purchasing cards.</li> <li>• Ensuring a quality assurance process is in place that:                             <ul style="list-style-type: none"> <li>— analyses PCard uptake and usage patterns, and</li> <li>— detects inappropriate PCard use.</li> </ul> </li> <li>• Managing the relationship with the Card Issuer, including interactions between the Cardholder and the Card Issuer.</li> </ul>  |
| <b>PCard Program Administrator</b> | <ul style="list-style-type: none"> <li>• Ensuring that responsibilities allocated to the Finance Shared Services team are discharged appropriately.</li> <li>• Collating and confirming card accounts for the Secretary and executive members (senior executives reporting directly to the Secretary), as delegated by the Executive Director – Business Services.</li> <li>• Preparation of regular credit card expenditure reports for the Secretary or Secretary’s delegate, detailing:                             <ul style="list-style-type: none"> <li>— a summary of credit card expenditure and usage for levels and types of use</li> <li>— any identified instances of inappropriate or fraudulent use, and</li> <li>— the appropriateness of credit limits.</li> </ul> </li> </ul>  |

| Roles   | Responsibilities   |
|---|--|
|   | <ul style="list-style-type: none"> <li>• Providing advice and instructions on action required where there is evidence of misuse or concerns about the appropriate use of a PCard.</li> <li>• Ensuring the effective implementation of controls and oversight mechanisms for the PCard Program across the department and Cluster agencies.</li> </ul>   |
| <p><b>People leader (such as Supervisor or Manager)</b></p> | <ul style="list-style-type: none"> <li>• Monitoring PCard use.</li> <li>• Reviewing and approving PCard reconciliations submitted by employees as well as ensuring compliance with the processes detailed in this policy and the associated procedure.</li> <li>• Increasing the use of PCards through procurement processes.</li> <li>• Assessing the business need for the retention of a PCard for an existing cardholder who is commencing a new role within their business unit.</li> <li>• Arrange cancellation of the card with Finance Shared Services if the PCard is no longer applicable for the employee.</li> <li>• Exercising their duties in accordance with this policy. In the event of a breach by a supervisor, the department or the cluster agency may choose to withdraw the supervisors' delegation or commence internal disciplinary action. This will be done by the PCard Program Administrator.</li> <li>• Notifying Finance Shared Services of the need to change a Cardholder's existing credit limit and facility/entity should there be valid reason to do so.</li> </ul> |

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## Appendix 3 – Cardholder statement of responsibility

The department has approved the issue of a NSW Government purchasing card (PCard) to you (the Cardholder). As a Cardholder you are required to read and comply with this Statement which outlines your responsibilities with respect to the use and management of your PCard. You must understand and agree to the following terms and conditions:

### Safety and Security

- I sign my PCard which is only to be used by me.
- I understand that I am the only authorised user of this PCard.
- I am personally responsible for the security and safe-keeping of my PCard and the relevant card account details, including my Personal Identification Number (PIN) and card number.
- If my card is stolen or lost, I will immediately report it to the Card Issuer and Finance Shared Services.

### Official Business Use

- I will only use the PCard for Business Purposes in accordance with the Department's Purchasing Card (PCard) Policy and as per the Card Issuer's conditions of use. "Business Purposes" means that the expenditure has been undertaken for a purpose that is in direct connection with, or as a direct consequence of, my role/position responsibilities within the department.
- I will comply with the department's policies, processes, and procedures for authorised expenditure.
- I understand that all expenditure charged to my PCard is subject to examination and approval by a delegated Employee of the Department.
- I understand the relevant expenditure categories which are authorised for PCard expenditure.
- I will collect and retain the required documentation to support all transactions made with the PCard that are valued at \$30 or more. Where the required documentation to support a transaction has not been retained, I will complete a business declaration (through MyExpenses) or a statutory declaration (through Expense8) detailing the nature of the expense and confirming that the expense was for Business Purposes only.
- I will acquit and submit my card transactions to my manager in accordance with prescribed deadlines.
- I understand that I must not make cash withdrawals or seek cash advances using the PCard.
- I will not exceed my credit limit on the PCard unless I have obtained prior documented approval.
- I will not split transactions on the PCard to avoid exceeding transaction limits.
- I will not make deposits into the PCard account.

### Disciplinary Sanctions

- I understand that if I use the PCard for purposes other than Business Purposes, or in a manner which is inconsistent with the conditions of use, I may have my PCard withdrawn, and/or suspended or cancelled. I understand that I may also be subject to the consequences as detailed in the Breaches section of this policy department's Purchasing Card (PCard) Policy and associated procedure.

- I understand that in the event of loss or theft through negligence or non-compliance with the conditions of use, I may be responsible for any liability incurred.

## Change of Employment Conditions and/or Extended Leave

- I agree to notify and return my PCard to the Director Finance Shared Services in the following circumstances:
  - if I leave my employment of my own accord
  - if my employment is terminated
  - if I am suspended pending an investigation into my conduct (whether related to PCard use or not)
  - if I go on extended leave for more than 60 days
  - if I am reassigned to a role or position where a PCard is not deemed necessary to the performance of my duties.

## Privacy

- I am aware that my personal information has been collected and will be held by the department on an ongoing basis to meet the various requirements in relation to the administration of PCards. I understand that department may need to disclose my personal information to any party that is legally entitled to access the information.
- I am aware that any personal information related to the administration of PCards will be collected, retained, protected and disposed of by the department under the provisions of the *Privacy and Personal Information Act 1998*, and in line with the department's privacy management plan.