



**ATTACHMENT DOCUMENT
FOR
ORDINARY COUNCIL MEETING**

Tuesday 30th April, 2019

Greg Ingham
GENERAL MANAGER

AGENDA

1. Investment Policy.....3
2. Purchase Card Policy.....12



Approval Date: 30 April 2019

Review Date: April 2019

Responsible Officer: Chief Financial Officer

History of Policy review

Version	Adoption Date	Minute No	Details of Review
3	18 April 2018	5/2018/18	Complete review
2	23 May 2017		Complete review
1	24 May 2016		Complete review

Objective

- 1.0 To provide a framework for the investing of surplus Council funds at the most favourable rate of interest available, whilst having due consideration of risk and security for investments ensuring its liquidity requirements are being met.
- 2.0 Whilst exercising the power to invest, consideration must be given to the preservation of capital, liquidity and the return on investment.
 - A. **Preservation of capital is the principal objective of the investment portfolio.** Investments are to be placed in a manner that seeks to ensure security and safeguarding the investment portfolio. This includes managing credit and interest rate risk within identified thresholds and parameters.
 - B. Investments should be allocated to ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring the risk of significant costs due to the unanticipated sale of an investment.
 - C. Investments are expected to achieve a market average rate of return in line with Council's risk management guidelines.

Council Policy Reference

AFM – Investment Policy

Statutory Requirements

[Local Government Act 1993](#)

[Local Government Act 1993 – Investment Order dated 31 July 2008](#)

[Local Government \(General\) Regulation 2005](#)

[Trustee Act 1925 \(NSW\)](#)

[Australian Accounting Standards](#) issued by the Australian Accounting Standards Board.

Government References

[Review of NSW Local Government Investments - Final report prepared by Michael Cole – April 2008](#)

NSW DLG Draft Investment Policy Guidelines – May 2009

Local Government Code of Accounting Practice and Financial Reporting

DLG Circulars relating to Investments – including Circular 09-20, 08-48, 06-70



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Related Policy/Procedure

AFM – Financial Management and Control

Investment**1. Authority for Investment**

All investments are to be made in accordance with:

- Local Government Act 1993 – Section 625, Section 413 and Section 12
- Local Government Act 1993 – Investment Order (of the Minister) dated 5th January 2016.
- Local Government (General) Regulation 2005 – Clause 212
- Australian Accounting Standards issued by the Australian Accounting Standards Board.
- Trustee Act 1925 (NSW) – Section 14

2. Delegation of Authority

The General Manager has the authority to invest surplus funds and may delegate this function to the Chief Financial Officer and/or Management Accountant. All investments must be signed by two (2) signatories. The following officers have the authority to sign investments:

- General Manager
- Chief Financial Officer
- Director Environmental Services
- Director Engineering Services
- Management Accountant

3. Ministerial Order

The Minister for Local Government issued a revised order pursuant to [Section 625 of the Local Government Act 1993](#). The Minister signed the amended Order on 31 July 2008 and it was gazetted on Friday 15 August 2008. It replaces the order dated 15 July 2017.

4. PRUDENT PERSON STANDARD

Council investments will be managed with the care, diligence and skill that a prudent person would exercise. As Trustees of public monies, Officers are to manage Council's investment portfolio to safeguard the portfolio in accordance with the spirit of this investment Policy, **and not for speculative purposes.**

5. ETHICS AND CONFLICTS OF INTEREST

Council Officers shall refrain from personal activities that would conflict with the proper execution and management of Council's investment portfolio. This policy requires Officers to disclose any conflict of interest to the General Manager.

Independent advisors are also required to declare that they have no actual or perceived conflicts of interest.

6. Current Investments below requirements of the Revised Ministerial Order

When considering selling the current investments that now fall below the requirements of the revised Ministerial Investment, Walgett Shire Council officers will exercise due care and diligence. Before disposing of these investments Council will seek independent financial advice by an independent investment adviser or dealer licensed by the Australian Securities and Investment Commission (ASIC)(www.asic.gov.au). The investments concerned are:

Issuer Name	Name (or Nickname) of the Product
Helium Series 64	Scarborough AA
Managed ACES SPC	Parkes AA-
ZIRCON	Coolangatta
Magnolia 2005-14	Flinders AA

These investments excluded by the recently revised Investment Order are to be grandfathered. These investments become ultra vires under the new Investment Order and can continue to be held to maturity, redeemed or sold.

This arrangement will be monitored and reviewed by the Management Accountant on a six (6) monthly basis from July 2009 until such time as the investments are no longer held by Council.

Investment Guidelines

7. Forms of Investment

All forms of Investment for the purposes of [section 625 \(2\) of the Local Government Act 1993](#) are by Order of the Minister notifying forms of investment. A copy of the Investment Order is attached as "Annexure A".

8. Legislative Obligations

All investments are to be made exercising care, diligence and skill that a prudent person of business would exercise in managing the affairs of another person. *Investments that are high risk, speculative or hazardous in nature are to be avoided.*

9. Legislative Requirements

All investments are to be made in accordance with the provisions of the Local Government Act 1993, with particular regard to the following:

- The purpose of the investment;
- The desirability of diversifying council investments;
- The nature of and risk associated with council investments;
- The desirability of maintaining the real value of the capital and income of the investment;
- The risk of capital or income loss or depreciation;
- The potential for capital appreciation;
- The likely income return and the timing of income return;
- The length of the term of the proposed investment;
- The period for which the investment is likely to be required ;
- The probable duration of the investment;
- The liquidity and marketability of a proposed investment during, and on the determination of, the term of the investment;
- The aggregate value of the assets of the council;
- The effect of the proposed investment in relation to any tax liability;
- The likelihood of inflation affecting the value of the proposed investment;
- The costs (including commission, fees and charges) of making a proposed investment;
- The results of any review of existing council investments;
- Other matters as appropriate.

10. PROHIBITED INVESTMENTS

In accordance with the Ministerial Investment Order, this investment policy prohibits but is not limited to any investment carried out for speculative purposes including:

- a) Derivative based instruments;
- b) Principal only investments or securities that provide potentially NIL or negative cash flow; and
- c) Standalone securities issued that have underlying, options, forward contracts and swaps of any kind

11. Operational Requirements

- a. The working account balance of Council is to be kept at a level no greater than is required to meet Council's immediate working operational requirements except where the rate of return is comparable to the rate of return of other investments.
- b. A delegated Finance Officer will notify the Management Accountant that excess funds exist in the working account or that an existing investment is due for maturity and funds are not required to meet Council's immediate working operational requirements.
- c. The Management Accountant will authorise the Finance Officer to investigate investment options.

12. Quotations

- a. Three (3) quotations will be obtained from authorised institutions before making an investment.
- b. The Code of Accounting Practice and Financial Reporting require that Council maintains a separate record of these quotations.
- c. All quotes are to be attached to the investment authorisation to be signed by the authorised signatories and filed in the Financial Investment Voucher Folder.

10 Risk Management Guidelines

Investments are to comply with the following criteria:

- (a) Preservation of capital – the requirement for preventing losses in an investment portfolio's total value (considering the time value of money);
- (b) Institutional Diversification –
 - 1. Not less than three (3) quotations shall be obtained from authorised institutions when an investment is made.
 - 2. Individual investments shall not exceed \$1,000,000.
 - 3. The maximum amount to be held by any one (1) institution at any one time shall not exceed forty (40%) percent of the total portfolio at the time when the deposit was made.
 - 4. All term deposit investments are to be made with authorised deposit taking institutions covered under the Australian Government Guarantee;
- (c) Maturity Risk – The investment portfolio shall be invested within the following maturity constraints.

OVERALL PORTFOLIO MATURITY		
Portfolio % < 1 year	Minimum 40%	Maximum 100%
Portfolio % > 1 year, < 3 years	Minimum 0%	Maximum 60%
Portfolio % > 3 years, < 5 years	Minimum 0%	Maximum 40%
Portfolio % > 5 years	Minimum 0%	Maximum 10%

-
- (d) Market/Credit Risk – consideration shall be given to the risk that the fair value or the future cash flows of an investment will fluctuate due to changes in market prices, or the risk of failure to repay principal or pay interest of an investment.
- (e) Liquidity Risk –
1. Investment maturity shall correspond with cash flow requirements.
 2. Access to a minimum \$1,000,000 or 5% of the investment portfolio is available within seven (7) days.

13. Investments Register

The Code of Accounting Practice requires Council to maintain a separate record of money it has invested under [section 625 \(2\) of the Local Government Act 1993](#). The record must specify:

- a) date the investment is made;
- b) the amount of money invested;
- c) particulars of the security or form the money is invested;
- d) name of the institution;
- e) due date and term of the investment;
- f) if available, the rate of interest to be paid;
- g) the amount of money that the council has earned, in respect to the money invested;
- h) investment number consisting of three digits/financial year (e.g. 123/09);
- i) When being rolled over, the investment being closed should refer to the new investment number. When the new investment is being made the investment number of the closed investment should be recorded.

An Investment Register is held by Council both in hard copy and electronically. The Investment Register held in hard copy contains all information as above and any documentation relating to the investment and is maintained by a delegated Finance Officer. An electronic copy of all investment information is to be filed in TRIM.in Financial Management – Investments.

14. Financial Investment Voucher Folder

- The *Financial Investment Voucher Folder* is maintained and updated by a delegated Finance Officer with all correspondence both inward and outward relating to the investment.
- Each investment will be allocated a section labelled with the investment number.
- The section within the folder will contain all correspondence, confirmation of the term deposit/investment, coupon payment advices etc.
- All correspondence must be filed in TRIM in Financial Management – Investments.

15. Maturity

Once an investment has matured the following may occur:

- a) Rollover the investment – if it is determined that the investment will be rolled over (taking into account Part 7 of this procedure), then the investment will be rolled over and issued with a new investment number. The interest paid and the new investment number will be recorded in the investment register under the number of the investment being rolled over. The new investment number will refer to the previous investment number.
- b) Redeem the investment – Interest paid, principle repaid will be recorded in the investments register.

16. Reports on Council Investments

The Responsible Accounting Officer (RAO) must provide Council with a written report detailing all money that Council has invested. The report must be made up to the last day of the month immediately preceding the meeting. This information must be presented in accordance with [section 625 \(2\) of the Local Government Act 1993](#) and must be presented at each monthly ordinary meeting under the provisions of [Clause 212 of the Local Government \(General\) Regulation 2005](#). This report must include a certificate as to whether or not the investment has been made in accordance with the Act, the regulations and Council's investment policy.

17. Independent Investment Advisors

- Any investment advisor or investment dealer acting on behalf of Council must be licensed with the Australian Securities and Investment Commission.
- These third parties are expected to exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of another person.
- This procedure is to be presented to all third parties to ensure that they are delivering appropriately and complying with Council's requirements, including the Ministerial Investment Order.
- The RAO should obtain written confirmation from independent financial advisors that they do not have any actual or potential conflicts of interest in relation to the investments they are recommending or reviewing including that they are not receiving any commissions or other benefits in relation to the investments they are recommending or reviewing.
- Product manufacturers / distributors should be excluded from being appointed investment advisors to Council.

18. Withdrawal of Investments

- In the event that a credit rating of a security, company or body issuing the security falls below the minimum requirement, as set out in the Minister's Order, Council must make all the necessary arrangements to withdraw the deposit as soon as practicable.
- In the case of existing securities (as tabled Part 4) excluded by the recently revised Investment Order, they are to be grandfathered. These investments become ultra vires under the new Investment Order and can continue to be held to maturity, redeemed or sold. Before disposing of these investments Council will seek independent financial advice by an independent investment advisor or dealer licensed by the Australian Securities and Investment Commission (ASIC)(www.asic.gov.au).

19. Annual Review

Investment performance will be reviewed monthly and the outcomes will be reported to Council. The investment policy and procedures will be reviewed annually, or immediately following the release of any OLG Guidelines or Circulars aimed at assisting Councils in Developing investment Policy or Procedures. .

LOCAL GOVERNMENT ACT 1993 – INVESTMENT ORDER

(Relating to investments by councils)

I, the Hon. Paul Lynch MP, Minister for Local Government, in pursuance of section 625(2) of the *Local Government Act, 1993* and with the approval of the Treasurer, do, by this my Order, notify for the purposes of section 625 of that Act that a council or county council may only invest money (on the basis that all investments must be denominated in Australian Dollars) in the following forms of investment:

- (a) any public funds or securities issued by or guaranteed by, the Commonwealth, any State of the Commonwealth or a Territory;
- (b) any debentures or securities issued by a council (within the meaning of the *Local Government Act 1993* (NSW));
- (c) mortgage of land in any State or Territory of the Commonwealth (restricted to first mortgages over land with a Loan to Value ratio of no greater than 60%);
- (d) interest bearing deposits with, or any debentures or bonds issued by, an authorised deposit-taking institution (as defined in the *Banking Act 1959* (Cwth)), but excluding subordinated debt obligations;
- (e) any bill of exchange which has a maturity date of not more than 200 days; and if purchased for value confers on the holder in due course a right of recourse against a bank which has been designated as an authorised deposit-taking institution by the Australian Prudential Regulation Authority;
- (f) a deposit with the Local Government Financial Services Pty Ltd
- (g) a deposit with the New South Wales Treasury Corporation or investments in an Hour-Glass investment facility of the New South Wales Treasury Corporation.

All investment instruments (excluding short term discount instruments) referred to above include both principal and investment income.

Transitional Arrangements

- (i) Subject to paragraph (ii) nothing in this Order affects any investment made before the date of this Order which was made in compliance with the previous Ministerial Order dated 15 July 2005, and such investments are taken to be in compliance with this Order.
- (ii) Paragraph (i) only applies to those investments made before the date of this Order and does not apply to any restructuring or switching of investments or any re-investment of proceeds received on disposal or maturity of such investments, which for the avoidance of doubt must comply with this Order.

Dated this 31st day of July

2008


Hon PAUL LYNCH MP
Minister for Local Government

"Appendix B" – Investment Register

Investment Number	Date Invested	Amount \$	Lodged With	Rate % per annum	Term	Due Date	Interest \$
Details							

Investment Number	Date Invested	Amount \$	Lodged With	Rate % per annum	Term	Due Date	Interest \$
Details							

Investment Number	Date Invested	Amount \$	Lodged With	Rate % per annum	Term	Due Date	Interest \$
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Investment Number	Date Invested	Amount \$	Lodged With	Rate % per annum	Term	Due Date	Interest \$
Details							

WALGETT SHIRE COUNCIL

PURCHASE CARD POLICY NO:

1.0 Policy Objective

Corporate Purchase (Credit) cards are a routine aspect of Council's accounts payable and goods procurement functions. When used appropriately, purchase cards provide benefits to Council in the form of streamlined purchasing processes and better utilisation of resources. However, the use of purchase cards involves the potential risk of fraud and misuse. This policy along with the associated procedures document establishes guidelines in order to protect Council funds and to maintain public confidence in Council's operations.

Council officers with purchase cards are to comply with these instructions. It is the responsibility of each employee to understand the policies and procedures as well as their meaning and intent. Should an employee have any questions they are to be raised with the Chief Financial Officer.

In observing this policy and the attached Purchase Card Procedures document, Council officers will ensure that they are making a meaningful contribution to Council's objectives which in turn contribute to meeting Council's Mission.

2.0 References and Council Documents

- Local Government Act (NSW) 1993
- Local Government (General) Regulation 2005
- Walgett Shire Council Procurement of Goods and Services Policy
- Walgett Shire Purchase Card Procedures

3.0 Definitions

A Purchase Card is a bank issued credit card in the name of Walgett Shire Council. The card also carries the name of the Council Officer to whom it was issued. Each card has an individual security PIN that is known only to the cardholder.

4.0 Policy Statement

DELEGATION OF AUTHORITY

The Council delegates to the General Manager the authority to incur financial expenditure on behalf of Council under the following provisions:

- Where expenditure has been provided for in Council's budget; or
- Genuine emergency or hardship.
- Other officers may only incur expenditure on behalf of the Council if:
 - The officer has been granted a financial delegation by the General Manager and
 - Expenditure is provided for in Council's budget; or
 - In the case of genuine emergency, or hardship where the power to incur expenditure in these circumstances has also been delegated

The General Manager must approve financial delegations in writing by recording them in the Delegations Register.

ELIGIBILITY

The provision of a corporate purchase card is a facility offered by Council to officers occupying certain positions from time to time. The officers occupying these positions will be designated by Council as being eligible under this policy.

Council reserves the right to amend, alter or vary the list of eligible positions from time to time. Where an officer occupies a position subject to change, such officer will be consulted and a period of at least one calendar month of notice shall be given of the change.

The General Manager has the right to cancel corporate purchase cards in circumstances that he/she considers warranted.

CREDIT LIMITS

The maximum credit limit for a Walgett Shire Council corporate purchase card shall be up to \$5,000 for all cardholders. The General Manager shall have the authority to determine, within this limit, the credit limits for individual card holders.

CIRCUMSTANCES IN WHICH CARDS MAY OR MAY NOT BE USED

Corporate Purchase cards must only be used for the payment of goods and services associated with Council business. Activities that would not qualify for the use of a corporate purchase card include the following:

- Any use that is of a personal or private nature;
- No cash advances are available from automatic teller machines or over the counter and BPay facilities are not available.
- The card is not to be linked to any form of award points and any personal award card or membership should not be used in conjunction with the use of the Purchase Card (eg, Mitre 10 Rewards, Woolworths Rewards, and Frequent Flyer).
- A tax invoice is required to be obtained for every purchase you make. This is required in reconciliation of the Purchase Card transaction.
- If a transaction is done by telephone or by mail order, the cardholder will need to ensure that an appropriate tax invoice is obtained from the supplier and included with the reconciliation.

Where inappropriate expenditure occurs, the value of the expenditure shall be recovered from the card holder. Should there be an accidental transgression, the Management Accountant is to be notified and the Council reimbursed immediately.

FORMAL ACKNOWLEDGEMENT OF POLICY CONDITIONS

Council officers issued with corporate purchase cards are in a position of trust with regard to the use of public funds. Improper use of that trust may render the cardholder liable to disciplinary action, legal action or criminal prosecution. All purchase card holders are to acknowledge receipt of the purchase card and instructions for use. The acknowledgement will include a signed agreement to abide by all Council and card supplier guidelines and conditions of use.

PURCHASE CARD GUIDELINES AND PROCEDURES

Please refer to the attached Purchase Card Procedures Document.

ANNUAL REVIEW OF PURCHASE CARD FACILITY

The Management Accountant is to prepare a written report on an annual basis at 30 June to the General Manager that includes details of:

- Expenditure for the year to date in summary form;
- Any matters indicating the efficiency or effectiveness of the corporate purchase card eg card not used;
- Action taken in response to issues raised in the report; and
- The results of action taken in response to issues raised in previous reports.

COMPLAINTS

Those persons wishing to lodge a complaint regarding the Corporate Purchase Card policy and procedures at Walgett Shire Council should forward their written complaint to the following address:

General Manager
Walgett Shire Council
77 Fox Street
Walgett NSW 2832

WALGETT SHIRE COUNCIL

PURCHASE CARD PROCEDURES

1.0 Objective

- 1.1 Ensure effective controls, procedures are in place with respect to the use of Walgett Shire Council Purchase Cards.
- 1.2 Fulfil all statutory requirements of the Local Government Act with respect to the use of Purchase Cards.

2.0 Related legislation/Policies

Local Government Act 1993
Local Government (General) Regulations 2005
Walgett Shire Council Procurement of Goods and Services Policy

3.0 Definitions

A Purchase Card is a bank issued credit card in the name of Walgett Shire Council. The card also carries the name of the Council Officer to whom it was issued. Each card has an individual security PIN that is known only to the cardholder.

4.0 Purchase Card Summary

Purchase cards have been implemented to allow the Council to transact its business in a more efficient manner and at the same time provide Council Officers with a more convenient method to meet costs they incur on Council's behalf.

Purchase cards should be recognised as a valuable tool for the efficient and effective operation of Council's daily business and not as a benefit assigned to specific individuals. The use of Purchase Cards will create savings in staff administration time in matters such as arranging transport, accommodation and registration for attendance at conferences and small local purchases. It will reduce the number of creditors created for one-off purchases. The procurement rules are the same for transactions using purchase cards as any other type of transaction. The cardholder must be satisfied these requirements are met this will mean that the purchase is necessary and the best value for money has been obtained.

Internal controls around purchase cards are detailed in these guidelines and include a monthly reconciliation process.

5.0 Purchase Card Guidelines/Procedures

5.1 Issuing of Cards

The General Manager has delegated authority to authorise the issuing of Purchase Cards to staff.

Before a Walgett Shire Council staff member can become a cardholder it will be necessary for that person to provide adequate proof of identity to satisfy the Bank's requirements of at least 100 identification points.

The Chief Financial Officer will be responsible for obtaining approval of the General Manager for the issue of a card and this will be recorded on a "Cardholder Approval and Acknowledgement" form (Attachment 1). Each cardholder will be required to sign this form on receipt of the Purchase Card and acknowledge these procedures.

5.2 Card Security

The physical security of the card is the cardholder's personal responsibility.

Purchase Cards must be signed immediately upon receipt, as an unsigned card is a security risk.

5.3 Restrictions

Purchase Cards are for official Council business and are not to be used for personal expenses under any circumstances. If the Purchase Card is used in error for a personal expense the employee must notify the Finance Section immediately and reimburse Council as soon as possible.

A cardholder must not allow another employee or person to use their card and hence PIN numbers must not be given to any other employee or person. Notwithstanding this, the cardholder can approve a telephone credit card purchase made by another employee on behalf of Council. The purchaser (employee) must seek prior approval from the cardholder, and shall complete the credit card reconciliation sheet immediately after completing the purchase. The tax invoice and reconciliation sheet is then given to the cardholder for signature and subsequently lodged with the Accounts Payable Officer.

Purchase Cards should only be used for purchases of fuel for Council Vehicles in an emergency ie where a Caltex Service Station is not available or the fuel card is not working. Staff should use their vehicle's fuel card for normal fuel purchases.

Purchase Cards are not to be used for uniforms or protective clothing/equipment which is available through Council Store.

Any safety products purchased on a Purchasing Card must meet all Australian Standards. If in doubt consult with the Workplace Health & Safety Officer before purchase is made.

Use of the Purchase Cards for purchases over the internet should be restricted to trusted secure sites.

Third party travel websites should not be used for bookings with the Purchase Card (eg Web jet or Agoda) as a tax invoice may not be issued by the website.

The cardholder will be personally liable for expenditure that cannot be shown to be related to the business of Walgett Shire Council.

5.4 How Do I Use It?

Purchase Cards are to be used as a normal credit card, with the allocated PIN number required to make any purchase.

No cash advances are available from automatic teller machines or over the counter and BPay facilities are not available.

The card is not to be linked to any form of award points and any personal award card or membership should not be used in conjunction with the use of the Purchase Card (eg, Mitre 10 Rewards, Woolworths Rewards, and Frequent Flyer).

A tax invoice is required to be obtained for every purchase you make. This is required in reconciliation of the Purchase Card transaction.

If a transaction is done by telephone or by mail order, the cardholder will need to ensure that an appropriate tax invoice is obtained from the supplier and included with the reconciliation.

Tax invoices must contain the components in order to comply with taxation law and allow Council to claim an input tax credit for the GST paid.

All details of the purchase, including tax invoices are required to be obtained and retained to support the appropriate allocation of purchases when reconciling.

Use of the Purchase Card will require the user to abide by Council's purchasing policies including purchasing from Council's preferred suppliers wherever possible.

The credit limit of the individual card is not to be exceeded. The remaining credit limit can be ascertained at any time by contacting the Finance Section of Council.

5.5 Purchases on the Internet

Ensure sufficient documentation is kept relating to the transaction you make to justify any expenditure claims, preferably showing the transaction or payment number as a reference, a tax invoice and ABN number if the provider of the goods or service is within Australia. Most reputable organisations will e-mail you a confirmation of your order. Keep details of the web address.

Ensure you are confident you know who you are dealing with and that you are dealing with a reputable company/organisation with a proven track record. Contact the provider prior to the transaction to confirm. If any doubt exists do not use that provider.

Keep passwords and usernames completely confidential. Any legitimate payment provider will never request details in regard to your pin number or password. Do not e-mail your credit card number to any provider.

Look for a padlock site or a solid key in the status bar at the bottom of the window to indicate you are on a secure page. These symbols mean the information you are sending is encrypted and cannot be read by other internet users.

Secure sites address box should start with https:// and NOT http:// Sites that start with https:// have an added encrypted transaction layer.

Do not click on the pop-up windows when making payment or go to different links on the site.

Overseas transactions increase the risk of fraud and should be avoided where possible.

5.6 Payment of Monthly Account

The outstanding balance of each Purchase Card will be automatically debited to Council's bank account at the time the statement is issued.

5.7 Reconciling Monthly Statements

Staff with Purchase Cards must obtain a tax invoice and attach it to the reconciliation sheet and sign that they have received the goods or services and hand to the Accounts Payable Officer.

All reconciliations must be done within one week of purchase.

PLEASE NOTE:

Tax invoices are necessary to enable Council to claim back the GST each month.

For FBT purposes, expenses relating to the provision of entertainment, including food and beverage, you must provide details of the total number of staff who attended, and the total number of attendees on the invoice.

As part of the audit process, a periodical review of the supporting documentation in respect of the monthly Purchase Card statement will be undertaken by the Management Accountant.

5.8 Disputed Purchases

Council is responsible for paying all accounts on the monthly Purchase Card statements and the bank will debit this amount to the Council's bank account at the time of issuing the statement.

The Finance Section is to be notified of all disputed transactions. The cardholder must complete the "Disputed Transactions" form and include it with the monthly reconciliation (Attachment 2).

When a dispute occurs, the cardholder should attempt to correct the situation with the merchant. In many cases a simple telephone call can clear up a problem without any delay. If unable to correct the situation, contact the Finance Section. The Finance Section will attempt to resolve the matter and may have to contact the bank for assistance.

The Finance Section will liaise with the bank to help some disputes with merchants, particularly those involving duplicated charges, non-receipt of goods ordered or credits not processed after refund vouchers have been issued

5.9 Terminating/Ceasing Employment and Extended Periods of Leave

Cards should be returned as soon as no longer required and if leaving the services of Council, should be returned to the General Manager, no later than the last day of employment. Cardholders must acquit all expenditure on the Purchase Card and produce all supporting documentation prior to leaving. In the case of Extended Periods of leave ie 6 weeks or more the Cardholder should hand in their card to the Finance Section during their absence.

5.10 Reporting Lost or Stolen Cards

If a card is lost or stolen it is the cardholder's responsibility to immediately telephone Council's Bank (Commonwealth Bank) to report the loss. Council's bank can be contacted 24 hours a day, 7 days a week on 1800 033 103.

The Finance Section should be contacted immediately or advised by the next business day and the cardholder should then complete a "Lost or Stolen Cards" form (Attachment 3) and forward it to the Finance Unit.

A replacement card will be arranged and issued upon receipt from the bank.

5.11 Replacement Cards

The card is valid for the period shown on the face of the card and Commonwealth Bank will automatically reissue replacement card to the Finance Section one month prior to the expiry date. The Finance Section will then distribute to the cardholder.

Should the cardholder require a replacement card that has been lost or stolen, they will need to complete a Replacement Cards form and sign the form (Attachment 4) on receipt of the new card.

5.12 Implementation

The Chief Financial Officer is responsible for the implementation of these procedures.

Attachments

Attachment 1

Purchase Card Cardholder Approval and Acknowledgement

<u>Approval</u> Cardholders Name:	
Position:	
Credit Limit (Monthly): \$	
General Manager	
Signature	Date:

<u>Acknowledgement</u> I acknowledge receipt of the Walgett Shire Council Purchase Card and agree that: <ol style="list-style-type: none">1 I will not use the Purchase Card, other than for official Council purposes.2 I will ensure security of the Purchase Card at all times.3 If the Purchase Card is lost or stolen, I will immediately report it missing to Council's bank and will also inform the Finance Section.4 If my position with Walgett Shire Council changes or my employment terminates, or I am asked to surrender the card for any reason, I will immediately return the card.5 I will retain all original supporting documentation that meets the requirements of a tax invoice for presentation to the relevant authorising officer.6 I will ensure that all Work Health & Safety requirements are complied with for all purchases.7 I will ensure that adequate funds are available to cover expenditure before it is incurred.8 I will submit approved reconciliations and supporting documents within seven (7) days of using the Purchase Card.9 I will immediately sign the Purchase Card upon receipt of it.10 If I misuse the Purchase Card (ie use it in a manner otherwise than in accordance with the instructions provided) I may be liable for disciplinary action.
--

Card No:	Expiry Date:
Signature of Cardholder:	Date:
Witness Name (Print):	Signature:

Attachment 2

**Purchase Card
Disputed Transactions**

Note: This form is to be completed and forwarded to the Finance Section with monthly reconciliation

Purchase Card No:
Cardholder's Name: Date

Transaction Date	Supplier	Reason for Dispute	Amount

Attachment 3

Purchase Card Lost or Stolen Cards

Note: This notification is on the loss or theft of a Walgett Shire Council Purchase Card. You are requested to telephone Council's bank immediately the loss is discovered. The Finance Section should be advised on the first business day and the following information completed.

Details (Cardholder to complete)	
Purchase Card No:	
Cardholders Name:	
Details of Loss:	
Council's Bank notified (Date):	
Finance Section notified on (Date):	
Cardholder's Signature:	Date:

Financial Control (Finance Section to complete)	
Council's bank notified:	
Purchase Card Register updated:	
New Card No:	
Date Received:	Signature:

Attachment 4

**Purchase Card
Replacement Cards**

Details (Cardholder to complete)	
Name:	
Old Purchase Card No:	
Reason for Replacement:	
Cardholder's signature:	Date:

Financial Control (Finance Section to complete)	
Council's bank notified:	
Purchase Card Register updated:	
New Card No:	
Date Received:	Signature: