



**OUR VISION FOR THE COMMUNITY:**

*A viable, cohesive and dynamic community, which supports expanding economic opportunities in a sustainable manner without compromising the natural assets or quality of lifestyle of the community.*

## Audit Committee Agenda

**You are notified that an Audit Committee Meeting  
will be held on:**

**Date:** Friday 1 February 2019  
**Time:** 1.00pm  
**Venue:** Elliston Council Chambers

### Mount Wedge



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## AGENDA

1. Attendance \_\_\_\_\_ Page 1
    - 1.1 Present \_\_\_\_\_ Page 1
    - 1.2 Apologies \_\_\_\_\_ Page 1
  2. Confirmation of Previous Minutes \_\_\_\_\_ Page 1  
*Appendix 1 - Audit Committee Minutes – 26 October 2018* \_\_\_\_\_ Page 2
- RECOMMENDATION**  
That the minutes of the District Council of Elliston Audit Committee meeting, held on 26 October 2018, as previously circulated to Committee members and attached as Appendix 1 to this Report, be taken as read and confirmed as a true and accurate record of the meeting
3. Matters arising from Previous Minutes \_\_\_\_\_ Page 1
  4. Declaration of Interest \_\_\_\_\_ Page 1  
Members are reminded of the requirements for disclosure by Members of direct or indirect pecuniary benefit in items listed for consideration on the agenda.
  5. Reports & Items \_\_\_\_\_ Page 1
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    - 5.2 Review of Whistleblower Protection Policy \_\_\_\_\_ Page 18  
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*Appendix 4 – Fraud & Corruption Prevention Policy* \_\_\_\_\_ Page 30
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*Appendix 5 – Schedule of Finance Policies* \_\_\_\_\_ Page 41  
*Appendix 6 – General Ledger Policy* \_\_\_\_\_ Page 42  
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*Appendix 12 – Treasury Management Policy* \_\_\_\_\_ Page 64  
*Appendix 13 – Credit Card Policy* \_\_\_\_\_ Page 69
    - 5.5 Audit Committee Work Program for 2019 \_\_\_\_\_ Page 72  
*Appendix 14 – Audit Committee Work Program for 2019* \_\_\_\_\_ Page 73
  6. Meeting Close and Next Meeting \_\_\_\_\_ Page 78



Minutes of the Audit Committee Meeting held on  
Friday 26 October 2018, at the  
Elliston Council Chambers

### Present

Chairman P Channon, Mr M O'Neil, Cr Hitchcock, Cr McGlasson

Rex Mooney (RMBAS)

Manager Financial Services K Quinn, Administration Officer Jill Leonard (Minute Clerk)

### Apologies

CEO P Cameron, Cr D Allchurch

### Welcome

The Chairman opened the Audit Committee Meeting at 9.30am and welcomed members and staff.

### Confirmation of Minutes of Previous Meeting

#### RECOMMENDATION:

That the minutes of the District Council of Elliston Audit Committee meeting, held on 20 September 2018, as previously circulated to Committee members and attached as Appendix 1 to this Report, be taken as read and confirmed as a true and accurate record of the meeting.

#### Mr O'Neil moved:

That the minutes of the District Council of Elliston Audit Committee meeting, held on 20 September 2018, as previously circulated to Committee members and attached as Appendix 1 to this Report, be taken as read and confirmed as a true and accurate record of the meeting.

**Seconded by Cr McGlasson**

**CARRIED**

### Matters Arising from Previous Minutes

Nil.

### Declaration of Interest

Members are reminded of the requirements for disclosure by Members of direct or indirect pecuniary benefit in items listed for consideration on the agenda.

### Reports and Items

See next page.

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## 5.1 Work Program

File Reference: 9.14.1/7

Report Author: Manager Financial Services

### **PURPOSE**

To present to the Audit Committee the updated Work Program for 2018.

### **BACKGROUND**

The Work Program is continuously being updated to ensure that the program has timeframes which are achievable and reasonable.

### **REPORT**

The updated program reflects the work completed and the timeframe for current and future activities.

The items listed for action have been included in this meeting's agenda as Appendix 2.

### **OFFICER RECOMMENDATION**

**That the Audit Committee receives and notes the Work Program.**

**Cr Hitchcock moved:**

**That the Audit Committee receives and notes the Work Program.**

**Seconded by Cr McGlasson**

**CARRIED**

## 5.2 Financial Performance Report 2017-18

File Reference: 7.11.1/6

Report Author: Manager Financial Services

### PURPOSE

To report to the Audit Committee the results of the 2017-18 financial year compared to the original budget.

### BACKGROUND

Regulation 10 of the Local Government (Financial Management) Regulations 2011 requires that Council, by no later than 31 December in each year, prepare and consider a report showing the audited financial results of the comprehensive income and balance sheet of the budgeted financial statements of the council for the previous financial year, compared with estimated financial results set out in the budget presented in a manner consistent with the Model Financial Statements.

### REPORT

Once the budget is adopted, the Audit Committee is presented with budget reviews throughout the year to allow for changes in circumstances. Legislative requirements require that the comparisons in this report are against the original budget. When the budget for 2017-18 was set, the actual audited results had not been finalised. [Appendix 3](#) includes:

- Uniform Presentation of Finances
- Statement of Comprehensive Income
- Statement of Financial Position
- Key Financial Indicators

The financial indicators show that Council is operating in an ongoing financial sustainable manner, the report includes commentary on each ratio provided.

The Statement of Comprehensive Income shows the variances and comments on the major variances in the operating income and expenditure.

### OFFICER RECOMMENDATION

**That the Audit Committee receive and note the Financial Performance Report 2017-18 and advise Council that satisfactory explanations for the variances to the original budget are contained in this report and have been discussed by the Audit Committee with senior management.**

**Mr O'Neil moved:**

**That** the Audit Committee receive and note the Financial Performance Report 2017-18 and advise Council that satisfactory explanations for the variances to the original budget are contained in this report and have been discussed by the Audit Committee with senior management.

**Seconded by Cr Hitchcock**

**CARRIED**

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### 5.3 Budget Review #1

File Reference: 7.11.1/6

Report Author: Manager Financial Services

#### **PURPOSE**

To present the First Budget Review to the Audit Committee.

#### **BACKGROUND**

The Annual Business Plan and Budget was adopted by Council in June 2018. Section 9 of the Local Government (Financial Management) Regulations 2011 requires that Council prepare and consider a report showing a revised forecast of its operating and capital investment activities for the relevant year compared with the budget in the format of the Uniform Presentation of Finances.

#### **REPORT**

Appendix 4:

- Forecast Uniform Presentation of Finances
- Forecast Key Financial Indicators
- Forecast Statement of Comprehensive Income
- Forecast Statement of Financial Position
- Forecast Capital Projects

Council adopted an operating surplus of \$460k in its Annual Business Plan and Budget process, after budget amendments, operating surplus is forecast to be \$496k, this is mainly due to various additional grant monies received and the confirmation of the Federal Assistance Grant funding that Council is expected to receive. Notification was received in late August 2018.

Depreciation expense has also been adjusted from the original budget due to assets that are fully expired and no longer attracting the depreciation charge.

Management has reviewed the capital projects with the recommended adjustments showing in the attached Forecast Capital Projects report.

#### **OFFICER RECOMMENDATION**

**That the Audit Committee having considered the 2018-19 1<sup>st</sup> Budget Review recommend to Council to approve the operating and capital budget revisions as contained in Appendix 4.**

**Cr McGlasson moved:**

**That** the Audit Committee having considered the 2018-19 1<sup>st</sup> Budget Review recommend to Council to approve the operating and capital budget revisions as contained in Appendix 4.

**Seconded by Mr O'Neil**

**CARRIED**

## 5.4 Internal Financial Controls Update

File Reference: 7.8.1/4

Report Author: Manager Financial Services

### PURPOSE

To review the internal financial control framework together with associated policies and procedures documents.

### BACKGROUND

Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the *Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, the acquisition and the disposal of property and incurring liabilities have been conducted properly and in accordance with the law.

This report presents an update to the Committee to the implementation and upkeep of Council's internal financial control framework.

### REPORT

The Council's internal controls are reviewed bi-annually by internal auditors, Creative Auditing, with the next off-site audit due to be conducted this month. The internal audit includes a review of procedures, updating and review of compliance with the Generic Procedures Manual, actions taken on previous recommendations and transaction testing.

An external audit of internal controls is conducted annually by Dean Newbery & Partners. The external auditors are required to provide an audit opinion on Council's internal controls function as per Section 129 of the *Local Government Act 1999*. This opinion is included in Council's Annual Financial Statements. The Chief Executive Officer and Chairman of Council also sign off on the internal controls implemented.

Council has a suite of current strategic management plans that focuses on conducting governance dealings professionally, managing its business in a responsible and accountable manner and providing quality services to the community. The core values of the Elected Members and Council staff are guided by the principles to create a positive and dynamic organisation culture which encourages integrity and ethical values.

In April 2017, Council adopted the Internal Financial Controls Policy which outlines guidance and the commitment to maintain an effective internal controls environment. The policy is listed in the Audit Committee Work Program for review in January 2019.

The delegations of financial authority are reviewed annually and were last updated in May 2018.

Council is committed to ensuring staff are trained and properly qualified for the duties required to be carried out.

**OFFICER RECOMMENDATION**

**That the Audit Committee receives and notes the report and notes the ongoing commitment that Council is carrying out to comply with the internal financial controls.**

**Mr O'Neil moved:**

**That** the Audit Committee receives and notes the report and notes the ongoing commitment that Council is carrying out to comply with the internal financial controls.

**Seconded by Cr Hitchcock**

**CARRIED**

*Cr McGlasson moved that the meeting break for morning tea at 10.25am.*

*Seconded by Mr Channon*

**CARRIED**

*Meeting resumed at 10.45am.*



## 5.5 Annual Performance of Cash, Investments and Borrowings Report

File Reference: 9.14.1/24

Report Author: Manager Financial Services

### PURPOSE

To present the annual report on Council's cash, investments, community loans and borrowings.

### BACKGROUND

Council's Treasury Management Policy specifies that after the annual financial statements have been finalized the Audit Committee will receive a specific report regarding treasury management performance relative to the policy document.

### REPORT

Attachment 5 summarizes Council's cash, investments, community loans and borrowings as at 30 September 2018. The investment performance section shows that Council's 'weighted investment rate' on cash and investments is on average (over the previous 11 months) 0.22% less than the official Reserve Bank of Australia Cash Rate. However, the formulation of Council's 'weighted investment rate' is distorted by the inclusion of the Bank SA Society Cheque Account interest rate of 0.10% in the calculation. Funds held in the Bank SA account are held for a short period of time in order to meet Council's weekly operating expenditure. Council funds are generally held in a Local Government Finance Authority account, currently receiving 1.5% interest, which matches the Reserve Bank of Australia Cash Rate.

Council supported one community loan to the Lock Districts Swimming Centre Incorporated. The loan has now been finalized at maturity in December 2017.

As at 30 September 2018, Council held no borrowings but holds a cash advance or debenture loan facility for up to \$500k. The facility was not utilized for any period of time between November 2017 and September 2018.

This facility will only be used in the event of any shortfall in working capital due to timing differences between the receipt of revenue and the payment of expenses.

### OFFICER RECOMMENDATION

**That the Audit Committee receive and note the Annual Performance of Cash, Investments and Borrowings Report for the period 1 November 2017 to 30 September 2018.**

### Cr Hitchcock moved:

**That** the Audit Committee receive and note the Annual Performance of Cash, Investments and Borrowings Report for the period 1 November 2017 to 30 September 2018.

**Seconded by Mr O'Neil**

**CARRIED**

## 5.6 Balance Date Audit

File Reference: 7.73.2/9

Report Author: Manager Financial Services

### PURPOSE

All correspondence between the Auditor and Council is to be tabled for consideration.

Ensure compliance with regulation 22 of the LG (Financial Management) Regulations 2011 which prevent a Council from engaging its auditor to provide any services to the Council outside the scope of the auditor's functions under the Local Government Act 1999.

### BACKGROUND

The Audit Committee is to review and comment on the Council's response to, and actions taken as a result of issues raised from the external audit.

### REPORT

The external audit of Council's General Purpose Financial Statements for the year ending 30 June 2018 was finalised on 23 October 2018.

Attachment 6 includes correspondence to and from our external auditors relating to Council's balance date audit:

- Completion of Balance Date Audit: Provision of 2018 Auditor's Report to Council
- 2018 External Audit Balance Date Management Letter
- Independent Auditor's Report, Auditor's Independence Certification and Independent Assurance Report on the Internal Controls for year ended 30 June 2018
- Management Representation: External Audit, financial year ended 30 June 2018

### OFFICER RECOMMENDATION

**That the Audit Committee receive the correspondence from the External Auditors and confirm compliance with regulation 22 of the LG (Financial Management) Regulations 2011.**

**Mr O'Neil moved:**

**That the Audit Committee receive the correspondence from the External Auditors and confirm compliance with regulation 22 of the LG (Financial Management) Regulations 2011.**

**Seconded by Cr Hitchcock**

**CARRIED**

### **Meeting Close and Next Meeting**

**Cr Hitchcock moved:**

**That** the finance staff be congratulated on standard of financial presentation to the Audit Committee and positive report from the external Auditors.

**Seconded by Cr McGlasson**

**CARRIED**

**Next meeting:** Friday 1 February 2019

**Meeting closed:** 11.00am

## **5.1 Work Program**

File Reference: 9.14.1/7

Report Author: Manager Financial Services

### **PURPOSE**

To present to the Audit Committee the current Work Program.

### **BACKGROUND**

The Work Program is continuously being updated to ensure that the program has timeframes which are achievable and reasonable.

### **REPORT**

The program reflects the work completed and the timeframe for current and future activities.

The items listed for action have been included in this meeting's agenda as Appendix 2.

### **OFFICER RECOMMENDATION**

**That the Audit Committee receives and notes the Work Program.**

## District Council of Elliston

### Audit Committee Work Program – February 2019

(KQ – Karen Quin, RM – Rex Mooney, PC – Phil Cameron, AJ – Arthur Johnstone, LP - Lucy Patton, JM – Jain Mentieth, JL – Jill Leonard)

Activity	Meeting Date	Responsible Officers	Current Status/Outcomes	Date Completed	Follow up Action (for next year's work program)
<b>1. Financial Reporting</b>					
<p>Monitor the integrity of the financial statement reports referred to in sections 1.1 to 1.6 below to review any significant financial reporting issues and judgements which they may contain.</p> <p>Specifically - review and challenge where necessary:</p> <ul style="list-style-type: none"> <li>the consistency in application of, and/or any changes to, accounting policies;</li> <li>the method used to account for significant or unusual transactions where different approaches are possible;</li> <li>whether Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;</li> <li>the clarity of disclosure in Councils financial reports and the context in which statements are made;</li> <li>all information presented with the financial statements, and</li> <li>significant adjustments to the financial report (if any) arising from the audit process.</li> </ul>					
1.1 Annual Business Plan, Annual Budget 2018-19 Review and comment on draft ABP confirming its consistency with strategic management plans as well as commenting on the impact the plan will on Councils financial sustainability.	Mar 2018  Jun 2018	KQ / RM	Draft – Complete  Final - Complete	Mar 2018  May 2018	
1.2 Budget Review #2 2017-18	Mar 2018	KQ / RM	Complete	Mar 2018	
1.3 Budget Review #3 2017-18	Jun 2018	KQ / RM	Complete	May 2018	
1.4 Annual Financial Statements 2017-18	Sep 2018	KQ / RM	Complete	Sep 2018	
1.5 Financial Performance Report 2017-18	Oct 2018	KQ / RM	Complete	Oct 2018	

## District Council of Elliston

### Audit Committee Work Program – February 2019

(KQ – Karen Quin, RM – Rex Mooney, PC – Phil Cameron, AJ – Arthur Johnstone, LP - Lucy Patton, JM – Jain Mentieth, JL – Jill Leonard)

Activity	Meeting Date	Responsible Officers	Current Status/Outcomes	Date Completed	Follow up Action (for next year's work program)
1.6 Budget Review #1 2018-19	Oct 2018	KQ / RM	Complete	Oct 2018	
<b>2. Internal Controls and Risk Management Systems</b>					
1.1. Review the internal financial control framework, together with associated policies & procedures documents.	Oct 2018	KQ	Complete	Oct 2018	
2.2 Review & comment on updated risk register including the risk assessment framework. Update to ensure that the register reflects Councils' operational & strategic risks	Feb 2019	PC / LP	Deferred to April 2019 meeting		
<b>3. Internal Audit</b>					
3.1 Receive twice yearly summary reports on internal audit work undertaken, outlining any significant issues discovered.	Mar 2018 May 2018	KQ / Ian McDonald	Verbal update - Complete Written update – Complete	Mar 2018 May 2018	
3.2 Having regard to results of its own work program and the Council's available resources, risks and anticipated benefits and costs, the Audit Committee should identify whether there are key functions where it might recommend that an efficiency and economy audit be performed.	Ongoing	Audit Committee			

## District Council of Elliston

### Audit Committee Work Program – February 2019

(KQ – Karen Quin, RM – Rex Mooney, PC – Phil Cameron, AJ – Arthur Johnstone, LP - Lucy Patton, JM – Jain Mentieth, JL – Jill Leonard)

Activity	Meeting Date	Responsible Officers	Current Status/Outcomes	Date Completed	Follow up Action (for next year's work program)
<b>4. External Audit</b>					
4.1 Liaise with the Councils' external auditor on the scope and planning of annual audits, including any issues arising from audits and the resolution of such matters.	Sep 2018	KQ / Auditors	Complete	Sep 2018	
4.2 All correspondence between the Auditor & Council is to be tabled for consideration. The audit committee will review and comment on the Councils response to, and actions taken as a result of issues raised from any external audit.	Oct 2018	KQ	Complete	Oct 2018	
4.3 Ensure compliance with regulation 22 of the LG (Financial Management) Regulations 2011 which prevent a Council from engaging its auditor to provide any services to the Council outside the scope of the auditor's functions under the Local Government Act 1999.	Oct 2018	KQ	Complete	Oct 2018	
<b>5. Whistle Blowing</b>					
<b>5.1 Review Whistle blower as well as Fraud and Corruption Prevention policies</b>	Feb 2019	KQ / JM	Agenda Item		
<b>5.2 Ensure the Council has in place a legislatively compliant Fraud and Corruption Policy.</b>	Feb 2019	KQ / JM	Agenda Item		

## District Council of Elliston

### Audit Committee Work Program – February 2019

(KQ – Karen Quin, RM – Rex Mooney, PC – Phil Cameron, AJ – Arthur Johnstone, LP - Lucy Patton, JM – Jain Mentieth, JL – Jill Leonard)

Activity	Meeting Date	Responsible Officers	Current Status/Outcomes	Date Completed	Follow up Action (for next year's work program)
<b>6. Reporting Requirements of the Audit Committee</b>					
6.1 Ensure that significant, urgent matters identified through the work program are formally and promptly reported to Council.	Ongoing	KQ / PC			
6.2 Table the minutes of audit meetings together with updated Audit Committee work programs as part of the agenda of the next Council meeting, ensuring recommendations are considered and adopted as required.	Ongoing	KQ / JL / PC			
6.3 Prepare annually a report to Council on the Audit Committees performance over the past year and include the report in the Annual Report of Council.	Sep 2018	KQ / RM	Complete	Sep 2018	
<b>6.4 Audit Committee Member Training Audit Committee Member Induction Session</b>	Ongoing <b>Feb 2019</b>	KQ <b>RM</b>	Complete <b>Agenda Item</b>	Mar 2018	
6.5 Review terms of reference on a biennial basis	Jun 2018	KQ	Complete	May 2018	



## District Council of Elliston

### Audit Committee Work Program – February 2019

(KQ – Karen Quin, RM – Rex Mooney, PC – Phil Cameron, AJ – Arthur Johnstone, LP - Lucy Patton, JM – Jain Mentieth, JL – Jill Leonard)

Activity	Meeting Date	Responsible Officers	Current Status/Outcomes	Date Completed	Follow up Action (for next year's work program)
<b>7. Financial Governance</b>					
<b>7.1 The following policies are due for review in 2018:</b>  <div> Due Date      Policy  Apr 2018      General Ledger  Apr 2018      Internal Financial Controls  Nov 2018      Community Group Loan  Nov 2018      Debt Recovery  Nov 2018      External Grant Funding  Nov 2018      Petty Cash Policy &amp; Procedure  Nov 2018      Treasury Management  Jan 2019      Credit Card </div>	Feb 2019	KQ / JM	Agenda Item		
<b>8. Other</b>					
8.1 Update Asset Management Plan – Roads, Buildings, Other Infrastructure, Plant & Equipment	Mar 2018	RM / KQ / AJ	Complete	Mar 2018	
8.2 Long Term Financial Plan. Review update to reflect update of Asset Management Plan	Mar 2018	KQ / RM	Complete	Mar 2018	
8.3 Long Term Financial Plan. Review and update as soon as practical after the preparation of the ABP/AB.	Sep 2018	KQ / RM	Complete	Sep 2018	
8.4 Annual Performance of Investments Report	Oct 2018	KQ	Complete	Oct 2018	

## District Council of Elliston

### Audit Committee Work Program – February 2019

(KQ – Karen Quin, RM – Rex Mooney, PC – Phil Cameron, AJ – Arthur Johnstone, LP - Lucy Patton, JM – Jain Mentieth, JL – Jill Leonard)

Activity	Meeting Date	Responsible Officers	Current Status/Outcomes	Date Completed	Follow up Action (for next year's work program)
8.5 Prepare annually a Training & Conferences Summary Report	Sep 2018	KQ	Complete	Sep 2018	
<b>8.6 Prepare Audit Committee work program for 2019 Calendar year</b>	<b>Feb 2019</b>	<b>RM</b>	<b>Agenda Item</b>		

## **5.2 Review of Whistleblower Protection Policy**

File Reference: 9.63.1/2

Report Author: Manager Financial Services

### **PURPOSE**

To review Council's current Whistleblower Protection Policy.

### **BACKGROUND**

Council approved the Whistleblower Protection Policy at its ordinary meeting held in January 2017. A review of the policy is required every 2 years.

### **REPORT**

One of the purposes of Council's Whistleblower Protection Policy is to fulfil its responsibilities under the *Whistleblowers Protection Act 1993*.

Currently, there is a new Act, *Public Interest Disclosure Act 2018* which is set to replace the *Whistleblower Protection Act 1993*.

The *Whistleblower Protection Act 1993*, although still current, has been repealed.

The *Public Interest Disclosure Act 2018*, is also current, but this legislation has not yet come into operation.

Due to the changes in legislation that will come into effect, the Whistleblowers Protection Policy has been provided for your review with no recommended changes. ([Appendix 3](#))

When the new legislation comes into operation, the policy will be replaced with a policy that meets the requirements of the *Public Interest Disclosure Act 2018*.

### **OFFICER RECOMMENDATION**

**That the Audit Committee have reviewed the Whistleblower Protection Policy and recommend no changes.**



## Whistleblowers Protection Policy

<b>Policy Type</b>	Governance		
<b>Responsible Department</b>	Corporate & Governance		
<b>Responsible Officer</b>	Manager Corporate & Governance		
<b>Related policies</b>	Fraud & Corruption Prevention Policy Internal Review of Council Decisions Policy		
<b>Related procedures</b>	Internal Review of Council Decision Procedure		
<b>Date adopted</b>	..... 2019	<b>MINUTE NUMBER</b>	
<b>Version</b>	1		
<b>Last reviewed</b>	January 2017		
<b>Next Review date</b>	January 2021		

### 1. Introduction

1.1. The District Council of Elliston is committed to upholding the principles of transparency and accountability in its administrative and management practices and, therefore, encourages the making of disclosures that reveal public interest information.

1.2. The purpose of this Policy is to ensure that District Council of Elliston:

- properly fulfils its responsibilities under the *Whistleblowers Protection Act 1993*;
- encourages and facilitates disclosures of public interest information which may include occurrences of maladministration and waste within the Council, and corrupt or illegal conduct in general, so that internal controls may be strengthened;
- provides a process by which disclosures may be made so that they are properly investigated;
- provides appropriate protection for those who make disclosures in accordance with the Act; and
- recognises the need to appropriately support the whistleblower, the responsible officer and, as appropriate, those public officers affected by any allegation that affects them.

1.3. The Council will review and update this Policy every 24 months as part of its annual policy review.

## 2. Scope

- 2.1. This Policy applies to appropriate disclosures of public interest information that concerns a public officer, and are made in accordance with the Act by Council Members, Employees of the Council, and members of the public.
- 2.2. This Policy is designed to complement the existing communication channels within Council, and operate in conjunction with existing policies, including:
- Employee Code of Conduct;
  - Council Members Code of Conduct; and
  - Internal Review of Council Decisions Policy under section 270 of the *Local Government Act 1999*.
- 2.3. The Council is committed to:
- referring, as necessary, appropriate disclosures to the Appropriate Authority, which, depending on the nature of the disclosure include a Minister of the Crown, the SA Police, the Anti-Corruption Branch of the SA Police, the Auditor-General or the Ombudsman;
  - otherwise facilitating the investigation of all appropriate disclosures of public interest information in a manner which promotes fair and objective treatment of those involved; and
  - rectifying any substantiated wrongdoing to the extent practicable in all the circumstances.

## 3. Definitions

For the purposes of this Policy the following definitions apply.

- 3.1. **Act** means the *Whistleblowers Protection Act 1993*.
- 3.2. An **Appropriate Authority** that receives disclosure of public interest information includes:
- a *Minister of the Crown*;
  - a *member of the police force* - where the information relates to an illegal activity;
  - the *Auditor-General* – where the information relates to the irregular or unauthorised use of public money;
  - the *Ombudsman* – where the information relates to a public officer;
  - a *Responsible Officer* - where the information relates to a matter falling within the sphere of responsibility of a Local Government body; or

- any other person<sup>1</sup> to whom, in the circumstances of the case, it is reasonable and appropriate to make the disclosure<sup>2</sup>.

3.3. **Corruption** is conduct of a public official involving a breach of that person's duty and/or the misuse or abuse of their position to:

- gain a reward or benefit; or
- for any dishonest or improper purpose.

3.4. **Detriment** includes:

- injury, damage or loss; or
- intimidation or harassment; or
- discrimination, disadvantage or adverse treatment in relation to a person's employment; or
- threats of reprisal.

3.5. **Disclosure** means an appropriate disclosure of public interest information made by the Whistleblower to an Appropriate Authority, including to a Responsible Officer.

A person makes an **appropriate disclosure** of public interest information if:

- (a) the person:
  - i. believes on reasonable grounds that the information is true; or
  - ii. is not in a position to form a belief on reasonable grounds about the truth of the information but believes on reasonable grounds that the information may be true and is of sufficient significance to justify its disclosure so that its truth may be investigated; and
- (b) the disclosure is made to an Appropriate Authority.

3.6. **Employee** refers to all the Council's employees and includes trainees, work experience students, volunteers, and contractors whether they are working in a full-time, part-time or casual capacity.

3.7. **Fraud** is the use of misrepresentations, deception or dishonest conduct in order to obtain an unjust advantage over another, or to cause detriment to the Council. Examples of fraudulent conduct include:

- theft of assets;
- unauthorised and/or illegal use of assets, information or services for private purposes;

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<sup>1</sup> Such a person may include an independent company that offers an anonymous whistleblower call service and/or a Council employee to whom the whistleblower feels comfortable making the disclosure.

<sup>2</sup> Where the disclosure relates to fraud and corruption, the Appropriate Authority must pass the information as soon as practicable to the Anti-Corruption Branch of the SA Police.

- misappropriation of funds; and/or
  - falsification of records.
- 3.8. **Immunity** is an undertaking given by the Council (in accordance with the Act) to a Whistleblower in relation to action it does not intend to take against a Whistleblower as a result of receiving an appropriate disclosure of public interest information from the Whistleblower.
- 3.9. **Independent Assessor** is the person responsible for investigating, a disclosure made to a Responsible Officer. The Independent Assessor will be appointed by the Responsible Officer on a case-by-case basis (depending upon the nature of the disclosure) in accordance with clause 6.5 of this Policy. The Council may prepare a list of pre-approved persons who may be appointed as an Independent Assessor in any given circumstances, in which case, the Responsible Officer must have regard to this list in appointing the Independent Assessor.
- 3.10. **Maladministration** generally includes impropriety or negligence, which may extend to conduct of a serious nature that is:
- contrary to law; or
  - unreasonable, unjust, oppressive or improperly discriminatory; or
  - based upon improper motives; or
  - a result of acting outside the parameters of recommended practice.
- 3.11. **Public interest information** means information that tends to show:
- (a) that an adult person, a Council or other Government Agency, is or has been involved in:
    - i. an illegal activity; or
    - ii. an irregular and unauthorised use of public money; or
    - iii. substantial mismanagement of public resources; or
    - iv. conduct that causes a substantial risk to public health or safety, or to the environment; or
  - (b) that a public officer is guilty of maladministration in or in relation to the performance of official functions.
- 3.12. **Public Officer** includes:
- an elected Member of the Council, including the Mayor;
  - an Independent member of the Council's Development Assessment Panel;
  - an Independent member of a Council Committee or a subsidiary of the Council, and
  - an Employee or Officer of the Council.
- 3.13. **Responsible Officer** is a person appointed pursuant to Section 302B of the Local Government Act 1999 who is authorised to receive and act upon public interest

information received from a Whistleblower<sup>3</sup>. Each Council must ensure that a member of the staff of the Council (with qualifications prescribed by the Regulations<sup>4</sup>) is designated as a Responsible Officer for the Council for the purposes of the Act.

- 3.14. **Victimisation** occurs when a person causes detriment to another on the ground, or substantially on the ground, that the other person (or a third person) has made or intends to make an appropriate disclosure of public interest information.
- 3.15. **Waste** refers to the waste of public resources (including public money), which occurs as a result of the substantial mismanagement, irregular or unauthorised use of public resources.
- 3.16. **Whistleblower** is any person who makes an appropriate disclosure of public interest information.

#### 4. Confidentiality

- 4.1. The identity of a Whistleblower will be maintained as confidential in accordance with the Act. Confidentiality will remain in all circumstances, unless the Whistleblower consents to his/her identity being disclosed, or disclosure is otherwise required so that the matter may be properly investigated. The Act does not expressly require any other information relating to a disclosure (i.e. the nature of the allegations) to be maintained as confidential.
- 4.2. A Whistleblower may wish to remain anonymous. In the event that an anonymous disclosure is made, the Whistleblower must ensure that the allegation is sufficiently supported by the provision of necessary details and evidence to enable the matter to be properly investigated. Accordingly, if an allegation is not supported by sufficient evidence it will not be investigated under the provisions of the Act.

#### 5. Disclosure Process

- 5.1. A disclosure is to be made to the Responsible Officer. A Whistleblower may alternatively choose to disclose public interest information directly to an Appropriate Authority.
- 5.2. The following are relevant considerations for the Whistleblower in determining where to direct a disclosure:
  - when choosing to make a disclosure internally, disclosures relating to an elected member or a member of council staff, other than the Chief Executive Officer (or person acting in that position), should be made to a Responsible Officer;
  - any disclosure relating to a person appointed as a Responsible Officer should be made to the other person appointed as a Responsible Officer or failing this, to an appropriate authority external to the Council;

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<sup>3</sup> It is recommended that the Responsible Officer is one or two Council Officers and is not the Chief Executive Officer, the Mayor, Council Member or a Council Committee. A Council Member should not be appointed as a Responsible Officer as Council Members are not equipped to properly deal with an appropriate disclosure in terms of the roles and responsibilities of their office. Furthermore the Responsible Officer is an administrative role and the principles of good governance require division between the administrative and governing bodies of a Council.

<sup>4</sup> Regulation 21B of the *Local Government (General) Regulations 1999*, states that the prescribed qualifications are the qualifications determined by the Minister. The Minister has not yet made any determination.



- any disclosure relating to the Chief Executive Officer should be made to the Ombudsman;
  - if a disclosure contains allegations of fraud or corruption, it must be made direct to the Anti-Corruption Branch of SAPOL. If a disclosure contains allegations of criminal conduct it must be made direct to SAPOL. Any allegations of fraud or corruption and/or criminal conduct will not be investigated under this Policy.
- 5.3. Nothing in this Policy prevents a person from making a disclosure to an Appropriate Authority external to the Council in the first instance. This is a choice to be made by the Whistleblower in his/her discretion.
- 5.4. A disclosure made to the Responsible Officer may be made in person, by telephone or in writing. The relevant contact details are:
- Telephone (08) 8687 9177
  - Email dce@elliston.sa.gov.au
  - Address Confidential Whistleblowers  
District Council of Elliston  
PO Box 46  
ELLISTON SA 5670
- 5.5. Where a disclosure is made by telephone, the Responsible Officer must take notes of the conversation and, where possible ask the Whistleblower to verify and sign the notes.

## **6. The Role of the Responsible Officer**

- 6.1. Upon the receipt of a disclosure, the Responsible Officer will determine the nature of the public interest information contained within the disclosure and either refer the disclosure to the Appropriate Authority (where it is appropriate to do so), or proceed with the assessment and/or investigation process outlined in Part 7 and 8 of this Policy.
- 6.2. If the disclosure relates to the Chief Executive Officer (or a person acting in that position), the Responsible Officer will refer it to the Ombudsman for investigation as the Ombudsman deems appropriate. Alternatively, if the disclosure relates to fraud or corruption, the Responsible Officer will immediately refer the matter to the Anti-Corruption Branch of the SA Police.
- 6.3. Subject to paragraph 6.1, the Responsible Officer will undertake a preliminary assessment under paragraph 7 of this Policy.
- 6.4. In making a determination pursuant to paragraph 6.3 above:
- the Responsible Officer may seek legal advice from Council's Lawyers and/or seek guidance from SAPOL or the Ombudsman in relation to the best course of action to pursue; and
  - is authorised to incur costs in accordance with the Council's Budget for this purpose.

- 6.5. In the event that the Responsible Officer determines that the disclosure warrants further investigation, the Responsible Officer will appoint an Independent Assessor for these purposes under paragraph 7.3 of this Policy.
- 6.6. The Responsible Officer will liaise with the Independent Assessor and the Whistleblower in relation to any ensuing investigation process and will ensure that the Whistleblower is provided with adequate support and protection as necessary.
- 6.7. The Whistleblower will be notified of the progress of any investigation by the Responsible Officer and, wherever practicable and in accordance with the law, of the final outcome.

## **7. Preliminary Assessment of Complaint**

- 7.1. Where the identity of the Whistleblower is known to the Responsible Officer or is reasonably ascertainable, the Responsible Officer will acknowledge receipt of the disclosure within 2 days and in doing so, will provide a copy of this Policy to the Whistleblower.
- 7.2. Upon receipt of a disclosure, the Responsible Officer will undertake a preliminary assessment to determine whether it:
  - is frivolous and/or vexatious, in which case, no further action will be taken in relation to the complaint; or
  - warrants referral to an Independent Assessor for a formal investigation and report; or
  - requires referral to the Anti-Corruption Branch of SAPOL or to SA Police; or
  - otherwise warrants referral to an appropriate external body such as the Ombudsman, the Office for State/Local Government Relations or the Minister for Local Government.
- 7.3. The Responsible Officer must report the outcome of his/her determination under paragraph 7.2 above to the Chief Executive Officer. Where the Responsible Officer determines the disclosure warrants investigation, the Responsible Officer will have regard to available resources, appoint the Independent Assessor and refer the disclosure to the Independent Assessor for investigation.
- 7.4. Where the Responsible Officer determines the disclosure warrants referral to an external body, the Responsible Officer will undertake the referral.
- 7.5. The Responsible Officer will inform the Whistleblower of the outcome of his/her determination under paragraph 7.2 above in writing as soon as is reasonably practicable after the determination has been made.
- 7.6. If the Whistleblower is dissatisfied with the Responsible Officer's determination it is open to him/her to report the disclosure to an appropriate authority external to the Council.

## **8. Investigation Procedure**

- 8.1. The objectives of the investigation process are:

- to investigate the substance of the disclosure and to determine whether there is evidence in support of the matters raised or, alternatively, to refute the report made;
  - to collate information relating to the allegation as quickly as possible. This may involve taking steps to protect or preserve documents, materials and equipment;
  - to consider the information collected and to draw conclusions objectively and impartially;
  - to observe procedural fairness in the treatment of any person who is subject of the disclosure;
  - to make recommendations arising from the conclusions drawn concerning remedial or other appropriate action; and
- 8.2. The Independent Assessor will observe the principles of natural justice throughout the investigation process. The investigation will be conducted in an efficient manner and will involve a thorough and balanced assessment of the available evidence and any other factors deemed relevant to making a fair and reasonable judgement about the matter.
- 8.3. The Act requires that the Whistleblower assist with certain investigations that may result from his/her disclosure. In the event that the Whistleblower fails, without reasonable excuse, to assist with an investigation process the protection afforded to him/her under the Act may be forfeited<sup>5</sup>.
- 8.4. Upon receipt of a disclosure, the Independent Assessor will bring the fact of the disclosure to the attention of the person who is the subject of it in writing within 5 days, and provide them with an opportunity to respond to the disclosure within a reasonable timeframe (either in writing or in person). The full details of any allegations contained in the disclosure need not be brought to the person's attention if the Independent Assessor considers that doing so will compromise the success of the investigation.
- 8.5. At any time the Independent Assessor is required to communicate with the person subject of the disclosure, the Whistleblower and/or other witnesses for the purposes of the investigation, the Independent Assessor will ensure the relevant person is aware of the reason for and purpose of the communication. Such notification will be provided to the relevant person at least 48 hours before such communication is to take place.
- 8.6. During any interview with the Independent Assessor, the person who is the subject of a disclosure may be accompanied by any person providing support to him/her (including a lawyer) as he/she considers fit. Any costs incurred in relation to obtaining the assistance of a support person are the personal expenses of the person subject of the disclosure. The support person is bound by a duty of confidentiality in relation to any matter discussed during such interview.
- 8.7. The investigation will be undertaken in confidence. The Independent Assessor will keep the identity of the Whistleblower confidential unless disclosure of his/her identity is necessary to ensure that the proper investigation of the disclosure.

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<sup>5</sup> Refer section 6(3) of the Act,

- 8.8. The Independent Assessor will keep the Responsible Officer informed of the expected timeframes for completion of the investigation and the provision of a report to the Council.

## **9. Final Report and Recommendation**

- 9.1. Upon finalising a detailed investigation the Independent Assessor must prepare a report that will contain the following:

- the allegation(s);
- an account of all relevant information received including any rejected evidence, and the reasons why the rejection occurred;
- the conclusions reached and the basis for them;
- any recommendations arising from the conclusions; and
- any remedial action which should be taken by the Council.
- The report will be accompanied by:
  - the transcript or other record of any verbal evidence taken, including tape recordings; and
  - all documents, statements or other exhibits received by the officer and accepted as evidence during the course of the investigation.

- 9.2. The report will not disclose particulars that will or are likely to lead to the identification of the Whistleblower.

- 9.3. Where the report relates to misconduct on the part of an elected member of the Council or the Chief Executive Officer (where investigated by the Ombudsman), it must be provided to the Principal Member who will determine what action, if any, should be taken. In all other cases, the report must be provided to the Chief Executive Officer to action as he/she considers appropriate.

## **10. Handling of Information**

- 10.1. The Independent Assessor must ensure accurate records of the investigation process are maintained including notes of all discussions, phone calls, and interviews. It is recommended that the interviewee sign written records of interviews and interviews be taped, but only where the interviewee has consented to this. Witness statements should also be signed.

- 10.2. In performing his/her duties, the Independent Assessor will maintain a confidential file of information (including written documents, disks, tapes, film or other objects that contain information) that relates to a disclosure and/or is a product of the associated investigation/reporting process. All such information will be recorded in a register which is to remain confidential and be securely stored<sup>6</sup>.

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<sup>6</sup> The Responsible Officer, in conjunction with the independent assessor will ensure all information relating to an appropriate disclosure is maintained as confidential and as such, will be solely responsible for the secure storage of this information. It is recommended that the information be stored separately from the Council's records. In the event that a person's appointment as a Responsible Officer is terminated, the person must provide this information to the newly-appointed

## **11. Information to Elected Body**

- 11.1. As a matter of discretion, the Chief Executive Officer may inform the elected body, on a confidential basis, of the fact an investigation of a disclosure took place and the outcome of the investigation.
- 11.2. Factors the Chief Executive Officer will take into account in determining whether to inform the elected body under paragraph 11.1 above and the level of detail provided in doing so are as follows:
- the identity of the person subject of the disclosure;
  - the impact (if any) of the investigation upon the Council's achievement of its objectives under its Strategic Plan and/or policies; and
  - the nature of the impact of any action taken to finalise the matter upon the Council's operations and/or budget.
- 11.3. In the event the disclosure and investigation process is confined only to issues impacting upon Council staff and human resource processes, the Chief Executive Officer will not inform the elected body of the fact of the disclosure and/or investigation since these matters fall outside the roles and responsibilities of elected members under the *Local Government Act 1999*.

## **12. Protection for the Whistleblower**

- 12.1. The Act provides immunity from criminal or civil liability for Whistleblowers, and protection for Whistleblowers against victimisation. Accordingly the Council will take action as appropriate to protect Whistleblowers from victimisation. Furthermore, in the event that a Whistleblower is victimised, the Council will, immediately refer the matter to the SA Police.
- 12.2. The Act does not provide any protection to people who knowingly make false disclosures or are reckless as to whether their disclosures are true.
- 12.3. A person who knowingly makes a false disclosure or is reckless as to whether the disclosure is true is guilty of an offence and may be prosecuted.
- 12.4. A public officer who knowingly makes a false disclosure, or is reckless as to whether the disclosure is true, in addition to being guilty of an offence under the Act, may face disciplinary action taken by the Council.

## **13. Availability of the Policy**

This policy will be available for inspection during ordinary business hours at the Council principal office, at 21 Beach Terrace, Elliston or at [www.elliston.sa.gov.au](http://www.elliston.sa.gov.au)

A copy of this policy is available to interested parties upon payment of a fee, set according to the Fees & Charges Schedule.

Further information about this policy can be obtained by:

Telephone: 8687 9177

Email: [dce@elliston.sa.gov.au](mailto:dce@elliston.sa.gov.au)

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Responsible Officer and having done so will continue to be bound by a duty of confidentiality in respect of the Whistleblower's identity and the information received.

### **5.3 Fraud and Corruption Prevention Policy**

File Reference: 9.63.2/1

Report Author: Manager Financial Services

#### **PURPOSE**

To present a Fraud and Corruption Prevention Policy.

#### **BACKGROUND**

Council's External Auditors, Dean Newbery & Partners conducted an interim audit site visit in March 2018. The focus is on internal controls and substantiation-transaction testing. The Auditors provide us with a report that includes recommendations arising from the audit.

A recommendation by the Auditors is that Council develop and communicate to the Audit Committee a Fraud and Corruption Prevention Policy.

The primary responsibility for the prevention and detection of fraud rests with those charged with governance of the entity and with management. It is therefore important for management to consider proactive steps to prevent fraud.

#### **REPORT**

A Fraud and Corruption Prevention Policy has been developed and is included for the Audit Committee to review and provide recommendation to the Council. (Appendix 4)

As the policy makes reference to the Whistleblower Protection Policy and *Whistleblower Protection Act 1993*, this policy will be reviewed and updated when the new legislation comes into operation.

#### **OFFICER RECOMMENDATION**

**That the Audit Committee have reviewed the Fraud and Corruption Policy and recommend that Council adopt the new policy.**



## Fraud & Corruption Prevention Policy

<b>Policy Type</b>	Administrative/Financial Policy		
<b>Responsible Department</b>	Office of Chief Executive Officer		
<b>Responsible Officer</b>	Manager of Financial Services		
<b>Related policies/documents</b>			
<b>Date adopted</b>	...2019	<b>Minute Number</b>	
<b>Version</b>	2		
<b>Last reviewed</b>			
<b>Next Review date</b>	February 2021		

### Policy Objectives

Council recognises that fraud and corruption in public administration have the potential to cause significant financial and non-financial harm and is committed to acting in the best interests of the community to uphold the principles of honesty, integrity and transparency; all key components of good governance.

This policy aims to protect public funds and assets and the integrity, security and reputation of the Council. It outlines the Council's approach to preventing, minimising, identifying and controlling fraudulent/corrupt behaviour.

### Scope

The policy applies to all:

- Elected Members when exercising/performing official functions and duties in all situations, including those outside of normal business hours;
- Employees when exercising/performing official functions and duties in all situations, including those outside of normal business hours.

### Definitions

Definitions are provided in Attachment 1.

### Policy Statement

Council will not tolerate fraudulent or corrupt activity and is committed to its control and prevention by:

- Complying with the requirements of the Independent Commissioner Against Corruption Act 2012;
- Establishing and maintaining an effective system of internal controls and enforcing compliance with those controls;
- Identifying circumstances in which fraud and corruption could potentially occur through risk assessment;



## Fraud & Corruption Prevention Policy

- Implementing fraud and corruption prevention and mitigation strategies in its day to day operations;
- Taking appropriate action in response to allegations of fraudulent/corrupt activity including reporting allegations in accordance with this policy, the ICAC Act and the reporting system established by the ICAC where allegations are substantiated;
- Taking appropriate disciplinary action when allegations are substantiated (in addition to applicable criminal sanctions);
- Ensuring all employees and Elected members are aware of and understand their responsibilities and obligations in regards to the prevention of fraud and corruption;
- Fostering an ethical environment in which dishonest and fraudulent behavior is actively discouraged;
- Being continually vigilant about the potential for fraud/corruption to occur;
- Ensuring that the community are made aware of this policy and its requirements.

### Specific Responsibilities

#### **All Elected Members and Employees**

Elected members and employees are responsible and accountable for:

- Performing functions and duties with care, diligence, honesty and integrity;
- Reporting any suspected or actual occurrences of fraud or corruption in accordance with this policy;
- Behaving in a professional manner at all times;
- Adhering to this policy and other supporting documentation;
- Taking care of Council property;
- Avoiding waste or misuse of Council's resources;
- Maintaining and enhancing the reputation of the Council;
- Leading by example to promote ethical behaviour;
- Identifying potential fraud and corruption risks;
- Ensuring that they are aware of their responsibilities in relation to fraud and corruption and the standard of conduct expected of them;
- Behaving in a professional manner at all times;
- The appropriate use of Council information, assets, funds, property, goods or services.

#### **Elected Members**

Elected Members are responsible and accountable for ensuring that:

- The community is aware of the Council's commitment to the prevention of fraud and corruption;
- There are adequate security measures in place for the prevention of fraud and corruption, including secure facilities for storage of assets;





## Fraud & Corruption Prevention Policy

- Adequate processes are in place to deter fraudulent or corrupt activity from occurring;
- Appropriate processes are in place for receiving allegations of fraud/corruption;
- Proper investigations are conducted into allegations that involve fraud or corruption;
- Information is forwarded to the Office for Public Integrity (OPI) as required in the event that fraud/corruption has occurred and that there is co-operation with any investigation;
- All Elected Members and employees are aware of their responsibilities and obligations in relation to fraud and corruption through appropriate and regular training;
- They create and foster an environment where fraud and corruption is discouraged and readily reported;
- Fraud and corruption risks are assessed on a regular basis.

### **Chief Executive Officer (CEO), Managers and Supervisors**

CEO, Managers and Supervisors are responsible for:

- The conduct of employees they supervise;
- Property under their control;
- Creating and fostering an environment where fraud and corruption is discouraged and readily reported;
- Ensuring that the employees they supervise, including new employees, are aware of their responsibilities and obligations in relation to fraud and corruption and the standard of conduct expected of them.

### Reporting and Investigation

#### **Corruption**

Any Elected Members or employees who have or acquire knowledge of actual or suspected corruption in public administration must report this information to the OPI as soon as practicable. Reports to the OPI by an Elected Member or employee must be made in accordance with the reporting obligations contained within the ICAC Directions and Guidelines available at [www.icac.sa.gov.au](http://www.icac.sa.gov.au) or in hard copy upon request from Council's Governance Project Officer.

Where the Council (i.e. Elected Members collectively) has or acquires knowledge of actual or suspected corruption in public administration, it must report this information to the OPI as soon as practicable after the Council becomes aware of the matter. The CEO is responsible for preparing a report to the OPI on behalf of the Council for these purposes. The CEO must prepare the report immediately upon receiving direction from the Council to do so.



## Fraud & Corruption Prevention Policy

Where the knowledge of corruption has arisen due to a complaint/report received from another person (the informant), the report to the OPI must not include the informant's details if:

- The report/complaint was made under the Whistleblowers Protection Act 1993; and
- The informant has not consented to the informant's identity being divulged; and
- It is not necessary to divulge the identity of the informant to ensure that the matters to which the report to the OPI relates are properly investigated.

Under Council's Whistleblowers Protection Policy, Elected Members and employees can report corruption in public administration internally to a Responsible Officer. Where an internal report relating to corruption in public administration is received by another under the Whistleblowers Protection Policy, the Responsible Officer, under the Whistleblowers Protection Policy, must report the matter to the OPI in accordance with this Policy.

A report to the OPI by an employee or Council Member must be made on the online report form available at [www.icac.sa.gov.au](http://www.icac.sa.gov.au)

### Fraud

Any Elected Member or employee that has or acquires knowledge of actual or suspected fraud that:

- Does not constitute corruption in public administration; and
- That impacts or causes detriment (or has the potential to impact or cause detriment) to the Council;

Must report the information to:

- Council's CEO, or in the case that the CEO is the subject of the report, to the Mayor, to be managed in accordance with Council's Complaints Policy and Procedure or Complaint Handling Procedure under Council Members' Code of Conduct; or
- To Council's Responsible Officer under Council's Whistleblower Protection Policy.

### Action by the CEO following report and/or investigation

Following any report to the OPI or SAPOL under this policy or the Whistleblower Protection Policy, of which the CEO has knowledge, subject to the finalisation of any investigation undertaken by the Commissioner or SAPOL, the CEO will undertake a review into the area in which the fraud or corruption occurred to determine the cause for the breakdown in controls and, will report the findings of the review and provide recommendations (if any) to the Council. In undertaking any review, the CEO will have regard to any recommendations received from the Commissioner or the Ombudsman.



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### **Misconduct and Maladministration**

Complaints relating to misconduct or maladministration will be managed in accordance with Council's Complaints Policy and Procedure or Complaint Handling Procedure under Council Members' Code of Conduct.

Elected Members and employees can report misconduct and maladministration in public administration to a Responsible Officer under Council's Whistleblowers Protection Policy.

### **Disciplinary Action**

In the event that allegations of fraud and/or corruption are substantiated, the Council may take disciplinary action against any employee who was involved in accordance with Council's Enterprise Bargaining Agreements.

A breach of this policy will also mean that there has been a breach of the respective Code of Conduct.

### **False Disclosure**

A person, who knowingly, makes a false or misleading statement in a complaint or report under the ICAC Act 2012 or the Whistleblowers Protection Act 1993, is guilty of an offence and will also face disciplinary action.

### **Statutory Reporting**

Statutory reports will be provided as required in accordance with the ICAC and/or Whistleblowers Protection Act.

Council's Annual Report will make reference to fraud and corruption prevention initiatives.

### **Complaints**

Complaints about this policy can be made in writing to the Governance Project Officer. Complaints will be managed in accordance with Council's Complaints Policy and Procedure.

### **Review of Policy**

This Policy should be reviewed at least every four years since its adoption or last amendment or as deemed necessary in consideration of any changes to legislation and relevant standards, codes and guidelines.



## Fraud & Corruption Prevention Policy

### Availability of Policy

This Policy will be available for inspection at the Council office listed below during ordinary business hours and available to download, free of charge, from Council's internet site: [www.elliston.sa.gov.au](http://www.elliston.sa.gov.au)

Customer Service Centre  
21 Beach Terrace Elliston

Phone: 8687 9177

Fax: 8687 9176

Copies will be provided to interested parties upon request subject to Council's Fees and Charges Schedule. Email [dce@elliston.sa.gov.au](mailto:dce@elliston.sa.gov.au)

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## Fraud & Corruption Prevention Policy

### APPENDIX 1

#### Definitions

##### **Council:**

District Council of Elliston

##### **Employee(s):**

All personnel undertaking tasks/duties for and/or on behalf of the District Council of Elliston, including persons employed directly by the Council in a full time, part time or casual basis under an employment contract, volunteers, contractors, agency personnel and work experience placements.

##### **Appropriate Authority:**

A Minister of the Crown;

A member of the police force – where the information relates to an illegal activity;  
The Auditor-General (relating to the irregular or unauthorised use of public monies);

The Ombudsman (in relation to a public officer);

A Responsible Officer, where the information relates to a matter falling within the responsibility of a Local Government body;

Any other person to whom it is reasonable and appropriate to make the disclosure (i.e. an independent company offering anonymous whistleblower call service).

##### **Appropriate Disclosure of Public Interest Information:**

Where a person believes on reasonable grounds that the information is true or is not in a position to form a belief on reasonable grounds about the truth of the information but believes on reasonable grounds that the information may be true and is of sufficient significance to justify its disclosure so that its truth may be investigated and the disclosure is made to the Appropriate Authority.

##### **Corruption in Public Administration:**

An offence against Part 7 Division 4 (Offences relating to public officers) of the Criminal Law Consolidation Act 1935, which includes the following offences:

- Bribery or corruption of public officers;
- Threats or reprisals against public officers;
- Abuse of public office;
- Demanding or requiring benefit on basis of public office;
- Offences relating to appointment to public office.

Any other offence (including an offence against Part 5 (Offences of dishonesty) of the Criminal Law Consolidation Act 1935) committed by a public officer while acting in his or her capacity as a public officer or by a former public officer and related to his or her former capacity as a public officer, or by a person before



## Fraud & Corruption Prevention Policy

becoming a public officer and related to his or her capacity as a public officer, or an attempt to commit an offence.

For example:

- Aiding, abetting, counselling or obtaining a benefit from the offence;
- Encouraging, whether by threats or promises or otherwise, the offence;
- Being in any way, directly or indirectly, knowingly involved in, or party to, the offence;
- Conspiring with others to commit the offence.

### **Deception:**

Misleading another to obtain a benefit or to cause detriment to a person.

### **False Disclosure:**

A release of information involving actual or suspected fraud or corruption that is made by a person who knows that the information is false or, who has given no consideration as to whether it is false.

### **Fraud:**

Using distorted information, deception or dishonest conduct in order to obtain an unjust advantage over another or, to cause detriment to the Council.

Examples include:

- Theft of assets;
- Unauthorised and/or illegal use of assets, information or services for private purposes;
- Misappropriation of funds; and/or
- Falsification of records.

### **Maladministration in Public Administration:**

Conduct of a public officer, or a practice, policy or procedure of a public authority, that results in an irregular and unauthorised use of public money or substantial mismanagement of public resources; or

Conduct of a public officer involving substantial mismanagement in or in relation to the performance of official functions; and

Includes conduct resulting from impropriety, incompetence or negligence; and

Is to be assessed having regard to relevant statutory provisions and administrative instructions and directions.

### **Misconduct in Public Administration:**

Contravention of a code of conduct by a public officer while acting in his or her capacity as a public officer that constitutes a ground for disciplinary action against the officer; or



## Fraud & Corruption Prevention Policy

Other misconduct of a public officer while acting in his or her capacity as a public officer.

### **Public Administration:**

An administrative act carried out in the course/performance of Council business. Defined in Section 4 of the ICAC Act 2012.

### **Public Officer:**

Definitions under the ICAC Act 2012 include:

- All Elected Members;
- An employee or officer of the Council;
- A person who is a member of the State Executive of the Local Government Association; and
- An officer or employee of the Local Government Association.

### **Responsible Officer:**

A person(s) authorised to receive and act upon public interest information provided by a Whistleblower for the purposes of the Whistleblowers Protection Act 1993.

### **Whistleblower:**

Any person who makes an appropriate disclosure of public interest information under the Whistleblowers Act 1993.



## **5.4 Review of Finance Policies**

File Reference: 7.63.2/1

Report Author: Manager Financial Services

### **PURPOSE**

To provide the updated Schedule of Finance Policies and submit updated policies due for review.

### **BACKGROUND**

A Schedule of Finance Policies was presented to the Audit Committee in June 2017. An updated schedule is appended to this report as Appendix 5. The schedule identifies eight policies that are due to be presented to the Audit Committee.

### **REPORT**

All policies have been reformatted to be consistent with other new or updated Council policies.

#### **General Ledger Policy (Appendix 6)**

Council last reviewed and adopted its General Ledger Policy in April 2017. Management have reviewed the policy and propose one change:

- Item 3.2 Dot point 1 has been updated to reflect that Council now has a Business Continuity Plan.

#### **Internal Financial Controls Policy (Appendix 7)**

Council last reviewed and adopted its Internal Financial Controls Policy in April 2017. Management have reviewed the policy and propose no changes.

#### **Community Group Loan Policy (Appendix 8)**

Council last reviewed and adopted its Community Group Loan Policy in November 2015. Management have reviewed the policy and propose no changes.

#### **Debt Recovery Policy (Appendix 9)**

Council last reviewed and adopted its Debt Recovery Policy in November 2015. Management have reviewed the policy and the proposed changes are:

- Under 'Disputing a Sundry Debt' and 'Sale of Land for Non-Payment of Rate Debts', officer's titles have been updated.

#### **External Grant Funding Policy (Appendix 10)**

Council last reviewed and adopted its External Grant Funding Policy in November 2015. Management have reviewed the policy and propose no changes.

#### **Petty Cash Policy and Procedure (Appendix 11)**

Council last reviewed and adopted its Petty Cash Policy and Procedure in November 2015. Management have reviewed the policy and propose no changes.

#### **Treasury Management Policy (Appendix 12)**

Council last reviewed and adopted its Treasury Management Policy in November 2015. Management have reviewed the policy and the proposed changes are:

- 'Fixed Interest Rate Borrowings', first paragraph, change from:

To ensure an adequate mix of interest rate exposures, Council will restructure its portfolio of borrowings as old borrowings mature and new ones are raised to progressively achieve and thereafter maintain on average in any one year, not less than 20% of its gross debt in the form of fixed interest rate borrowings.



Proposed:

To ensure an adequate mix of interest rate exposures, Council will maintain on average in any one year, not less than 30% of its gross debt in the form of fixed interest rate borrowings.

- 'Variable Interest Rate Borrowings', first paragraph, change from:

Council will restructure its portfolio of borrowings, as old borrowings mature and new ones are raised, to progressively achieve, and then maintain, not less than 30% of its gross debt on average in any year in the form of variable interest rate borrowings.

Proposed:

Council will maintain not less than 30% of its gross debt on average in any year in the form of variable interest rate borrowings.

### **Credit Card Policy (Appendix 13)**

Council last reviewed and adopted its Credit Card Policy in October 2015. Management have reviewed the policy and propose no changes.

### **OFFICER RECOMMENDATION**

**That the Audit Committee:**

- 1. Receive and note the Schedule of Finance Policies**
- 2. Recommend to Council to adopt the updated General Ledger Policy**
- 3. Recommend to Council to adopt the updated Internal Financial Controls Policy**
- 4. Recommend to Council to adopt the updated Community Group Loan Policy**
- 5. Recommend to Council to adopt the updated Debt Recovery Policy**
- 6. Recommend to Council to adopt the updated External Grant Funding Policy**
- 7. Recommend to Council to adopt the updated Petty Cash Policy and Procedure**
- 8. Recommend to Council to adopt the updated Treasury Management Policy**
- 9. Recommend to Council to adopt the updated Credit Card Policy**

## FINANCE POLICIES SCHEDULE

<b>Policy</b>	<b>Adoption Date</b>	<b>Last Reviewed</b>	<b>Next Review Due Date</b>	<b>Audit Committee Meeting Date Presentation</b>
General Ledger Policy	Apr-17		Apr-18	Feb-19
Internal Financial Controls Policy	Apr-17		Apr-18	Feb-19
Community Group Loan Policy	Nov-15		Nov-18	Feb-19
Debt Recovery Policy	Nov-15		Nov-18	Feb-19
External Grant Funding Policy	Nov-15		Nov-18	Feb-19
Petty Cash Policy & Procedure	Nov-15		Nov-18	Feb-19
Treasury Management Policy	Nov-15		Nov-18	Feb-19
Credit Card Policy	Sep-13	Oct-15	Jan-19	Feb-19
Disposal of Land and Assets Policy	Dec-15	Apr-18	Apr-20	
Procurement Policy	Dec-15	Apr-18	Apr-20	
Asset Impairment Policy	Apr-17		Apr-21	
Asset Revaluation Policy	Apr-17		Apr-21	
Leases, Licences & Permits Policy	Apr-17	Nov-17	Apr-21	
Annual Business Plan & Budget Policy	May-12	Jun-17	Jun-21	
Asset Accounting & Asset Capitalisation Policy	Oct-09	Jun-17	Jun-21	
Rate Rebate Policy	Feb-16	Jun-17	Jun-21	
Rating Policy	Jun-12	Jun-17	Jun-21	
Hardship Policy for Residential Customers of Minor & Intermediate Water Retailers	May-15		As required	
Prudential Management Policy	Sep-15		As required	



## General Ledger Policy

<b>Policy Type</b>	Administrative/Financial Policy		
<b>Responsible Department</b>	Office of Chief Executive Officer		
<b>Responsible Officer</b>	Manager of Financial Services		
<b>Related policies/documents</b>			
<b>Date adopted</b>	...2019	<b>Minute Number</b>	
<b>Version</b>	2		
<b>Last reviewed</b>	April 2017		
<b>Next Review date</b>	February 2023		

### Introduction

It is imperative that Council's ensure that the internal controls surrounding the General Ledger are operating efficiently, as the financial information contained in the General Ledger is the basis of the financial statements and management reports.

Section 124(1) of the *Local Government Act 1999* states that 'a council must keep such accounting records as correctly and adequately record and explain the revenues, expenses, assets and liabilities of the council'. Council can meet these obligations by developing and implementing effective internal financial controls in relation to the General Ledger.

Council should consider the following issues in relation to the General Ledger:

- Processing of accurate journals and effective review of such journals;
- Regular Balance Sheet Reconciliations that are reviewed independently;
- Adequate data security measures, including access controls and a formal disaster recovery plan.

### 1. Key Issues/Risks

In relation to the General Ledger, the major risks faced by Council is summarized as follows:

- General Ledger does not contain accurate financial information;
- Data contained within the General Ledger is permanently lost.

### 2. Segregation of Duties

The following segregation of duties should exist within the General Ledger cycle:

- Preparation of journals and Balance Sheet Reconciliations; and
- Review and approval of journals and Balance Sheet Reconciliations.



## General Ledger Policy

### 3. General Ledger Controls

Controls in place to prevent the General Ledger not containing accurate financial information include the following:

#### 3.1 General Journals

General journals are to be reviewed and authorized by an independent person who ensures the correct account allocation has been used and all other details on the journal are correct.

The batch number will be used as the journal number when inputting a journal entry.

Each journal filed in the journals folder should have the following attached:

- A print out of the batch that was loaded into SynergySoft;
- A print out of updating the batch in SynergySoft; and
- Any additional supporting documentation.

Were possible, the duties of requesting the journal and processing the journal should be segregated.

Once the journal has been posted into SynergySoft, journals are signed as being entered and filed to ensure that no journals are overlooked or posted twice.

#### 3.2 General

All computer users are to have program access analysed in conjunction with their job descriptions to determine the appropriate levels required to carry out their duties. Access to the General Ledger is restricted to approved personnel as per the Manager Financial Services.

Balance Sheet Accounts (including control and clearing accounts) are to be reconciled monthly and reviewed by an independent person. The suspense accounts are to be regularly cleared.

The chart of accounts is to be regularly updated to ensure correct account allocations are made.

Budgets are to be reviewed in compliance with Local Government (Financial Management) Regulation 9:



## General Ledger Policy

- a) *at least twice, between 30 September and 31 May (both dates inclusive) in the relevant financial year (where at least 1 report must be considered before the consideration of the report under subregulation (1)(b), and at least 1 report must be considered after consideration of the report under subregulation (1)(b))—a report showing a revised forecast of its operating and capital investment activities for the relevant financial year compared with the estimates for those activities set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances;*
- b) *between 30 November and 15 March (both dates inclusive) in the relevant financial year—a report showing a revised forecast of each item shown in its budgeted financial statements for the relevant financial year compared with estimates set out in the budget presented in a manner consistent with the Model Financial Statements.*

Controls in place to prevent data contained in the General Ledger from being permanently lost include the following:

- A formal Business Continuity Plan has been developed by Council. The objective of this plan is to ensure that there is a set of clear and comprehensive instructions relating to the recovery of records, to ensure the minimum of loss and disruption of services in the event of an emergency or disaster; and
- Daily back-up tapes for the main corporate computer system are to be kept. Each day the daily back-up tape from the previous day is taken for storage offsite.

### Review of Policy

This Policy may be amended at any time and should be reviewed at least every four years since its adoption or last amendment.

### Availability of Policy

This Policy will be available for inspection at the Council office listed below during ordinary business hours and available to download, free of charge, from Council's internet site: [www.elliston.sa.gov.au](http://www.elliston.sa.gov.au)

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## Internal Financial Controls Policy

<b>Policy Type</b>	Administrative/Financial Policy		
<b>Responsible Department</b>	Office of Chief Executive Officer		
<b>Responsible Officer</b>	Manager Financial Services		
<b>Related policies/documents</b>			
<b>Date adopted</b>	... 2019	<b>Minute Number</b>	
<b>Version</b>	2		
<b>Last reviewed</b>	April 2017		
<b>Next Review date</b>	February 2023		

### Introduction

Internal controls is part of Council's corporate governance framework and covers areas such as strategic management, business development, project management and finance. It comprises procedures to mitigate risks and provide reasonable assurance that operations are efficient and effective, assets are safeguarded, legislation and council policies/rulings are complied with and financial reporting is accurate and reliable.

As a first step towards developing a complete risk management and corporate governance framework the financial component of internal controls will be addressed and these are required to ensure council resources are used prudently and in an efficient, effective and economical manner. Examples of the types of activities addressed are accounts payable, payroll, budgeting, management reporting, banking and contracting. Financial internal controls are critical to effective risk management of a Council's operations and promote the achievement of its goals and objectives.

Council is committed to maintaining an effective Internal Control environment.

### 1. Objectives

Council's objectives of this Policy are:

- Risks relating to the stewardship of public resources are adequately managed through effective internal controls;
- A framework for an effective internal control system which conveys to managers that they are responsible for ensuring that internal controls are established, documented, maintained and adhered to across the Council and to all employees that they are responsible for adhering to those internal controls;
- To ensure the propriety of transactions, information integrity, compliance with regulations and achievement of Council objectives through operational efficiency.



## Internal Financial Controls Policy

### 2. Policy Statements

#### 2.1 Risk Management Approach

Council will maintain an internal control framework, which will be based upon a pro-active risk management culture. The types of risks identified in the framework will be those which may prevent Council from meeting its objectives or not maximizing its opportunities. One area of risk covered by Council is financial management, for which internal controls will be identified, documented and managed. It is recognized that all risks cannot be eliminated, however, the internal controls applied should reduce the likelihood of the risk occurring to within acceptable limits of risk.

Council will develop a culture that emphasizes integrity, ethical values and competence.

#### 2.2 Roles and Responsibilities

The Council is responsible for approval of the Internal Financial Controls Policy and the Chief Executive Officer for developing and maintaining an internal control framework, which ensures Council objectives are achieved efficiently and effectively. Updates on changes to the framework will be presented to the Audit Committee.

The Chief Executive Officer and principal member of Council must also sign the financial statements in regard to internal controls as required by the Local Government (Financial Management) Regulations 2011 r14.

The Senior Management Team must adopt a risk management approach to identifying and assessing risks and apply cost/benefit analysis in the development of internal controls. Council employees must conduct their duties in accordance with internal control policies, procedures and practices of Council.

#### 2.3 Elements of an Internal Control Framework

The essential elements of an effective internal control framework are:

- Structure and culture of Council;
- Delegations of Authority;
- Policies and procedures;
- Trained and properly qualified staff;
- Information Technology controls;
- Review process. E.g. internal audit;
- Liaison with auditors and legal advisors;
- Senior Management compliance assurance; and
- Risk identification and assessment.

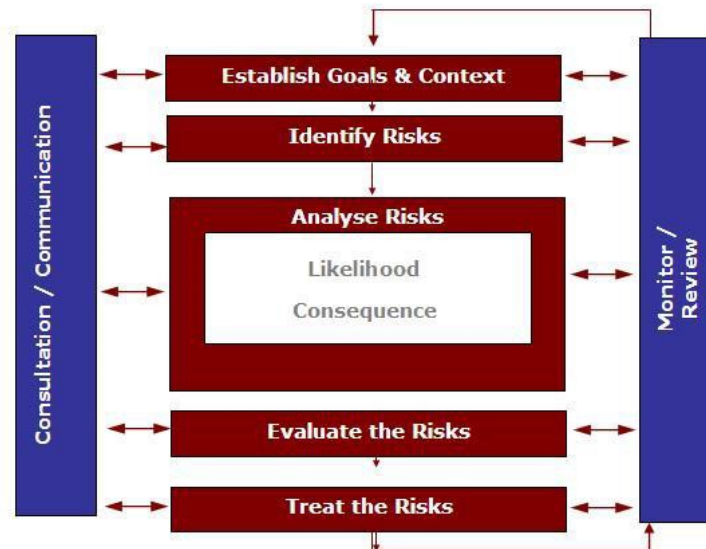


## Internal Financial Controls Policy

### 2.4 The Risk Management Process

The process followed by Council in developing the framework appears below in diagrammatic form extracted from Australian/New Zealand Standard AS/NZS ISO 31000:2009

The Risk Management Process



AS/NZS ISO 31000:2009

#### **Establish Goals and Context**

Effective risk management requires a thorough understanding of the goals and context of Council to assist in establishing the assessment criteria for risk management.

#### **Identify Risks**

Identify the risks most likely to impact on the achievement of Council's objectives.

#### **Analyse Risks**

Assess effectiveness of risks in terms of likelihood and consequence to identify the current risk level.

#### **Evaluate Risks**

Determine whether the risks are acceptable or unacceptable and document findings.





## Internal Financial Controls Policy

### **Treat Risks**

Treat risks by one of the following methods – discontinuing activity that generates it, reducing likelihood of occurrence, reducing consequence of occurrence, transfer the risk or retain the risk.

### **Consultation/Communication**

These are important elements to ensure that all stakeholders understand why actions are required. These stakeholders include all staff and elected members.

### **Monitor/Review**

Responsible officers must be identified for each internal control and provide feedback to managers on progress with controls. The Managers monitor the effectiveness of risk treatments and report progress to the Audit Committee at regular intervals.

### **Review of Policy and Database of Internal Controls**

This Policy may be amended at any time and should be reviewed at least every four years since its adoption or last amendment.

The database of internal financial controls will be reviewed at least annually to ensure all controls are current and appropriate and the Audit Committee will be informed of the outcome of each review and updated regularly on progress with action plans identified during the reviews.

### **Availability of Policy**

This Policy will be available for inspection at the Council office listed below during ordinary business hours and available to download, free of charge, from Council's internet site: [www.elliston.sa.gov.au](http://www.elliston.sa.gov.au)

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## Community Group Loan Policy

<b>Policy Type</b>	Administrative/Financial Policy		
<b>Responsible Department</b>	Office of Chief Executive Officer		
<b>Responsible Officer</b>	Manager Financial Services		
<b>Related policies/documents</b>	Community Grants Policy		
<b>Date adopted</b>	... 2019	<b>Minute Number</b>	
<b>Version</b>	2		
<b>Last reviewed</b>	November 2015		
<b>Next Review date</b>	February 2023		

### Policy Objective

The District Council of Elliston values and recognises the role of community and sporting groups within the Council area and endeavours to support them in a variety of ways. The Objective of this Policy is to provide a funding support mechanism for projects, both significant and minor, that have community benefit.

### Policy Statement

In providing funding support for community and sporting groups within the District Council of Elliston, the intent is to develop community capacity through:

- Promoting participation in local community activities of recreation and sport, cultural activities, community development, lifelong learning, social and welfare activities;
- Financially assisting community groups based in the Council area;
- Promoting community pride in the Council area.

### Eligible Criteria

Loan applications must satisfy the following criteria:

- Applications must be for projects based within the District Council of Elliston area;
- The project must benefit a range of people in the community;
- Loans of significant amounts (generally exceeding \$20,000) will predominately be used for capital improvements;
- The repayment period should not exceed 10 years;
- The loan funding should only account for up to 50% of the overall project cost, inclusive of in-kind support.
- The application must clearly demonstrate the capacity to repay the loan, including:
  - ❖ Details of expenditure and revenue forecast budget for term of loan;



## Community Group Loan Policy

- ❖ Forecast repayment schedule for the term of the loan;
- ❖ Additional fundraising and income generating activities;
- The application must provide evidence that the loan application has been approved by a majority of the community group's members (i.e. minutes of special meeting of all financial members);
- Any group making an application for amounts over \$5,000 under this Policy may be asked to attend either a briefing session or Council meeting to present their application and respond to Elected Member questions or information requirements;
- Should a community or sporting group default on loan repayments, Council has the right to take whatever action it considers necessary to recover the funds. In extreme cases, Council may consider closing the use of the facility to the community or sporting group in default and taking legal action to recover funds.

### Allocation of Funds

For the purpose of this policy, loans are described as "the lending of money generally with interest, to organisations with an agreement for these funds to be re-paid within an agreed period of time".

Loan applications will be considered from community groups which meet the following criteria:

- Are able to demonstrate a lack of capacity to generate funds from their normal activities;
- Have membership or work which is provided predominately by volunteers;
- Are developing an asset on Council property;
- Have limited capacity to obtain funding from other sources.

In relation to loan options, Council may agree to:

- Act as guarantor for the organisation;
- Borrow funds from the Local Government Finance Authority (LGFA) on behalf of the organisation;
- Loan funds from existing Council cash reserves, with or without interest;
- Consider a loan application in conjunction with an application made under Council's Community Grants Policy.

### Interest Free Loans

Whilst the main intent of this policy is to provide loans with interest for significant projects, Council will consider interest free loans on the following basis:

- Where exceptional circumstances exist; primarily when a business case for a project indicates strong economic or social benefit to the community;
- When an amount of \$5,000 or less is required by a community or sporting group, noting that the repayment rate of any loan under this clause is a minimum of \$1,000 per annum.



## Community Group Loan Policy

### Draw Down from Exiting Approved Loans

- Applications can be made at any time;
- Only one active loan per community or sporting group will be considered in any three (3) year period;
- Applications must be received with the prescribed application form which is available at the end of this document;
- Loans will not be approved retrospectively;
- Each application will be decided on its merit and in accordance with the general eligibility criteria outlined in this policy;
- Where the application relates to an asset the organisation may be required to demonstrate that effort is being made to care for the facilities and grounds, within the financial capability of the organisation.

### Review of Policy

This Policy may be amended at any time and should be reviewed at least every four years since its adoption or last amendment.

### Availability of Policy

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## COMMUNITY GROUP LOAN APPLICATION FORM

Please complete form in BLOCK LETTERS, tick appropriate boxes,  
complete all relevant sections and date application

Version 1: April 2018

PRELIMINARY QUESTIONS			
1. Is this a Capital Project	Yes	No	
2. Is the group/organisation resident of District Council of Elliston	Yes	No	
3. Is the group/organisation incorporated as not for profit organisation?	Yes	No	
4. Type of financing required?	Loan	Guarantee	
5. Is the facility located on land under Council control?	Yes	No	
6. Does the group/organisation have a current lease on this land?	Yes	No	
APPLICANT DETAILS			
ORGANISATION:			
CONTACT NAME (AND POSITION):			
POSTAL ADDRESS:			
SUBURB / TOWN:			
EMAIL ADDRESS:			
PHONE NO:			
PROJECT DETAILS			
COMMUNITY BENEFIT			
PROJECT LOCATION / FACILITY			
TYPE OF PROJECT			
(please circle)	NEW ASSET	ASSET REHABILITATION	OTHER

Copy of minutes of meeting approving request for loan	Yes	No	NA
Copies of Audited Annual Financial Statements for past 2 years	Yes	No	NA
Independently prepared Business Plan including project Cash Flows for Term of Loan	Yes	No	NA
Proof of Incorporation / Copy of Constitution	Yes	No	NA
List of office bearers / Committee members	Yes	No	NA
Breakdown of Project Cost	Yes	No	NA
Details of outstanding loans	Yes	No	NA
<b>GUARANTEE DETAILS (APPLICABLE ONLY IF GUARANTEE IS REQUIRED)</b>			
Lending Institution:			
Guarantee Value:	\$	Term:	
Guarantee Terms & Conditions enclosed:		Yes	No
<p><b>I declare that this application has been authorised at a duly constituted meeting of the organisation.</b></p> <p><b>I have read Council's Policy for Community Group Loans.</b></p>			
PRESIDENT; Date:		Signature:	

<b>Office Use Only:</b>	
Amount of Loan / Guarantee:	Interest Rate:
Period of Loan:	Repayment Periods:



## Debt Recovery Policy

<b>Policy Type</b>	Administrative/Financial Policy		
<b>Responsible Department</b>	Office of Chief Executive Officer		
<b>Responsible Officer</b>	Manager of Financial Services		
<b>Related policies/documents</b>			
<b>Date adopted</b>	...2019	<b>Minute Number</b>	
<b>Version</b>	2		
<b>Last reviewed</b>	November 2015		
<b>Next Review date</b>	February 2023		

### Policy Objective

The objective of this policy is to:

- Ensure a fair consistent and accountable approach to Council's debt management and collection decisions and practices;
- Assist in the efficient management of Council assets through the timely collection of outstanding monies.

### Debt Management and Recovery Principles

The management and recovery of outstanding revenue is an important aspect of Council's financial management function. The principles that will apply in the management and recover of debt are as follows:

- Council has a responsibility to recover monies owing to it in a timely and efficient manner to finance its operations and ensure effective cash flow management;
- Council will operate effective billing and debt collection processes;
- Council aims to minimise the amount of outstanding monies that it is owed;
- Debtors are expected to take responsibility for their Council debt obligations and organise their affairs in such a way as to be able to discharge these obligations when required;
- If a debtor cannot meet their obligations on the due dates, it is in the interest of the debtor and Council for the debtor to contact Council at the earliest opportunity to make appropriate arrangements to address the debt;
- Council will explain the debtor's rights and obligations in relation to any action that Council might take to recover the debt;
- Council will not issue a letter of demand to a debtor without taking all reasonable steps to establish a payment arrangement or negotiate settlement of the outstanding debt;
- Once a letter of demand has been issued, legal action will proceed and any



## Debt Recovery Policy

settlement negotiations will be made on a “without prejudice” basis so that the legal right to collect the debt is not compromised.

### Debt Management

The following debt collection practices will be applied to all debts (rates and sundry debtors) over \$200 that is not in dispute which have been outstanding for 60 days:

- First reminder letter will be forwarded, requesting payment within 14 days or to contact Council to enter into an arrangement;
- Where no response is received, second reminder letter will be forwarded requesting payment within 14 days or to contact Council to enter into an arrangement;
- Where no response has been received a letter of demand for payment within 7 days will be forwarded. The letter will state that failure to make payment in full or to enter into an arrangement will result in the commencement of legal action;
- Where no response has been received, outstanding debt will be forwarded to Council's debt collection agent;
- In the event that a default on a payment arrangement occurs, a first and final reminder letter will be forwarded for all amounts over \$500. The letter will state that failure to recommence the agreed arrangement within 7 days will result in the commencement of legal action.

### Disputing a Sundry Debt

In the event that a sundry debt is in dispute, the debtor will lodge a complaint in writing, by either submitting a letter, email or completing a customer complaint form.

The Rates and Revenue/Administration Officer will report the dispute and recommend resolution to the Manager Financial Services or Chief Executive Officer to ensure that a timely response is forthcoming.

Council provides the Chief Executive Officer and Manager Financial Services with the authority to write off sundry debts in accordance with their specific delegations.

### Sale of Land for Non-Payment of Rate Debts

In accordance with Section 184 of the *Local Government Act 1999*, Council may sell land for the non-payment of rates.

The Manager Financial Services will report to Council any rate debtors that have remained unpaid following implementation of recovery action as detailed above, and are in arrears for three (3) years or more. Council will give the Manager Financial Services direction on further recovery action pursuant to Section 184 of the *Local Government Act 1999* on presentation of such a report.





## Debt Recovery Policy

### Review of Policy

This Policy may be amended at any time and should be reviewed at least every four years since its adoption or last amendment.

### Availability of Policy

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## External Grant Funding Policy

<b>Policy Type</b>	Administrative/Financial Policy		
<b>Responsible Department</b>	Office of Chief Executive Officer		
<b>Responsible Officer</b>	Manager of Financial Services		
<b>Related policies/documents</b>			
<b>Date adopted</b>	...2019	<b>Minute Number</b>	
<b>Version</b>	2		
<b>Last reviewed</b>	November 2015		
<b>Next Review date</b>	February 2023		

### Purpose

The purpose of this policy is to establish criteria for effective management of applications for grants funded by external organisations, to ensure consistent and objective analysis that is aligned to corporate objectives prior to applying for external grant funding.

### Legislative Framework and other References

There is no legislative requirement for Council to have a policy relating to this area.

The following legislations apply to this policy:

**Local Government Act 1999:** Section 133 states that Council may obtain funds as permitted by or under this or another Act and as may otherwise be appropriate in order to carry out its functions under this or another Act i.e. by obtaining grants and other allocations of money.

**Other References:** Council's documents including:

- Annual Business Plan
- Fees and Charges Schedule
- Long Term Financial Plan
- Records Management Policy
- Strategic Plan
- Procurement Policy

### Definitions

For the purpose of this policy, the following definitions apply:

**CEO:** Chief Executive Officer (including their delegate) of the District Council of Elliston



## External Grant Funding Policy

**External Grant Funding:** Money that is given to Council by an External Body (funding provider) in order to deliver a specific project or program, provide a new service or enhance an existing service.

### Policy

There is a diverse range and level of funding that Council can apply for in relation to its own activities or any regional activities the Council is involved with. This policy outlines the factors that must be considered prior to applying for External Grant Funding.

### Application

When applying for any External Grant Funding opportunities, the following should be considered:

- Alignment/consistency with Council's Objectives – all funding applications should align with Council's strategic plan, annual business plan and/or other strategic management plans;
- Council's required contribution (both in-kind or financial), alignment to existing budget approvals and future budget requirements, and ability for value of grant funding to be sufficient to meet stakeholder expectations;
- Impact on internal and external stakeholders, including establishing clearly defined and agreed roles and responsibilities for managing External Grant Funding and meeting the required outcomes;
- Assessment of relevance and risks to the community and Council;
- Ability to comply with proposed contractual terms and conditions, other relevant legal requirements (e.g. licence requirements), and Council policies (e.g. Procurement Policy);
- Whole of life cost impacts of the funding opportunity if relevant (which takes into account all aspects of cost over time including capital, maintenance, management, insurance, disposal and operating costs);
- Project management and administration costs associated with the External Grant Funding (including but not limited to project management, risk management, procurement, promotion, communication, reporting, monitoring, evaluation, etc.);
- Ability for Council to deliver the agreed grant objectives within approved timelines;
- Opportunities for regional funding partnerships and the benefits and risks associated with entering into these partnerships.

Appropriate records will be kept in accordance with Council's Record Management Policy.



## External Grant Funding Policy

### Approval

The Council is required to approve any External Grant Funding applications that require additional funding outside of Council's current budget and are outside of financial employee delegations.

External Grant Funding applications must be submitted to Council for approval where:

- Additional unbudgeted expenditure funding is required;
- When a grant is applied for on a regional basis.

At times there is short lead time for External Grant Funding applications which does not enable details of the funding to be provided to Council prior to application. Should this occur, the CEO or delegate will authorise the application. If the External Grant Funding application is successful then a report to Council is required before the funding is accepted and any formal arrangements are entered into.

Grants must not be applied for unless approval is obtained from one of the following:

- Employees delegated to commit expenditure;
- Council.

### Reporting

An Information Report must be provided to Council for grant funding greater than \$100,000 when:

- External Grant Funding applications are successful or unsuccessful (including those applied for within employee delegations);
- The scope of a project funded by a grant is changed to the extent that the agreed project outcomes are required to be renegotiated with the funding body;
- External Grant Funding expenditure is complete.

Assessment should be undertaken on all completed External Grant Funding to ensure the grant achieved the expected outcomes and objectives.

### Review of Policy

This Policy may be amended at any time and should be reviewed at least every four years since its adoption or last amendment.



## External Grant Funding Policy

### Availability of Policy

This Policy will be available for inspection at the Council office listed below during ordinary business hours and available to download, free of charge, from Council's internet site: [www.elliston.sa.gov.au](http://www.elliston.sa.gov.au)

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DRAFT



## Petty Cash Policy and Procedure

<b>Policy Type</b>	Administrative/Financial Policy		
<b>Responsible Department</b>	Office of Chief Executive Officer		
<b>Responsible Officer</b>	Manager Financial Services		
<b>Related policies/documents</b>	Procurement Policy		
<b>Date adopted</b>	... 2019	<b>Minute Number</b>	
<b>Version</b>	2		
<b>Last reviewed</b>	November 2015		
<b>Next Review date</b>	February 2023		

### Purpose

The purpose of the Petty Cash Policy and Procedure is to provide the parameters under which petty cash funds can be used for miscellaneous and business related expenditure of low value, where payment through the accounts payable system is not justified or appropriate.

### Principles

The Petty Cash Policy and Procedure is intended to enable Council to balance the need for effective control over the acquisition of goods and services of low value, against the processing costs associated with low value acquisitions.

### Scope

The Petty Cash Policy and Procedure applies to all Employees of the District Council of Elliston.

### Definitions

**Cashier:** Council Officer appointed by the Chief Executive Officer to take responsibility for the day to day management of the Petty Cash Float. For the purpose of this Policy, the Cashier will be Council's Manager Financial Services.

### Responsibilities

The **Cashier** is responsible for:

- Ensuring the petty cash fund is secure at all times;
- Retaining acceptable supporting documentation such as receipts and tax invoices;
- Maintaining a Petty Cash register;
- Monitoring and reconciling the Petty Cash float;



## Petty Cash Policy and Procedure

- Reporting the loss of funds to the Chief Executive Officer as soon as any loss is discovered.

### Petty Cash Float

A Petty Cash float of \$100 has been approved by the Chief Executive Officer. The Petty Cash float will be kept in a secure location at all times.

### Procedure Expenditure/Monetary Limit

Petty cash may be used for the urgent direct acquisition of goods and services up to the maximum value of \$50 per transaction. Reimbursement for items of a higher value should be made through Accounts Payable and in accordance with Council's Procurement Policy.

### Petty Cash Vouchers

A petty cash voucher must be completed for all petty cash claims. The petty cash voucher must include:

- The date of the claim;
- The name of the person who incurred the expense;
- The expenditure amount;
- Signature of the Chief Executive Officer (CEO);
- Signature of the person collecting the cash; and
- Tax invoice or receipt to support the expenditure.

Petty cash claims without the appropriate receipts will be declined.

### Petty Cash Approval

Only the Chief Executive Officer or Acting Chief Executive Officer can authorise petty cash reimbursements.

### Advances from Petty Cash

An advance from the petty cash float may only be issued if it is not possible for the individual to make the purchase and then claim reimbursement.

To obtain an advance from the petty cash float, individuals must complete a petty cash voucher which must be signed by the Chief Executive Officer or Acting Chief Executive Officer. The voucher should state that the petty cash has been requested in advance and should be signed by the Cashier and purchaser on advancement of the funds.

The purchaser must submit the original receipt to the Cashier together with any surplus funds, as soon as practicable after the purchase.

Under no circumstances will petty cash be advanced to employees for items of a personal nature. All requests for IOU's from petty cash will be declined.



## Petty Cash Policy and Procedure

### Reconciliation and Reimbursement of Petty Cash Floats

The Cashier must monitor the petty cash float balance and when reimbursement is required, the cashier should reconcile the petty cash vouchers with the float. The reconciliation spreadsheet (attached at the Appendix) and the petty cash vouchers should be forwarded to the Chief Executive Officer, for approval.

### Audit

An audit of the petty cash float should be conducted annually at the discretion of the Chief Executive Officer.

### Breaches of this Policy and Procedure

Breaches of this Policy and Procedure will be investigated as potential breaches of Council's Procurement Policy, relevant Code of Conduct, this Policy and Procedure and/or industrial arrangements and actions taken according to outcomes from an investigation.

### Review of Policy

This Policy may be amended at any time and should be reviewed at least every four years since its adoption or last amendment.

### Availability of Policy

This Policy will be available for inspection at the Council office listed below during ordinary business hours and available to download, free of charge, from Council's internet site: [www.elliston.sa.gov.au](http://www.elliston.sa.gov.au)

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## Treasury Management Policy

<b>Policy Type</b>	Administrative/Financial Policy		
<b>Responsible Department</b>	Office of Chief Executive Officer		
<b>Responsible Officer</b>	Manager of Financial Services		
<b>Related policies/documents</b>			
<b>Date adopted</b>	...2019	<b>Minute Number</b>	
<b>Version</b>	2		
<b>Last reviewed</b>	November 2015		
<b>Next Review date</b>	February 2023		

### Introduction

This policy provides clear direction to management, staff and Council in relation to the treasury function. It underpins Council's decision-making regarding the financing of its operations in the annual budget and long term financial plan and associated projected and actual cash flow receipts and outlays.

Council is committed to operating in a financially sustainable manner and maintains a Long Term Financial Plan (updated at least annually) to assist it to determine affordable service levels and revenue raising needs. This plan also provides projections of future cash flow availability and needs.

The *Local Government Act 1999*, requires Council to approve all borrowings. Council discharges this responsibility by approving borrowings for the year at the time the annual budget is adopted.

### Policy Objectives

The Treasury Management Policy established a decision framework to ensure that:

- Funds are available as require to support approved outlays;
- Interest rates and other risks (e.g. liquidity and investment credit risks) are acknowledged and responsibly managed;
- Subject to Council's capital expenditure decisions, the gross level of debt is minimized; and
- Over the longer term it is reasonably likely to optimize the net interest costs associated with borrowing and investing.

### Definitions

**Credit Foncier Borrowings:** Are borrowings for a fixed period with regular repayments where each repayment includes components of both principal and interest, such that the end of the period the principal will have been entirely repaid.



## Treasury Management Policy

**Financial Sustainability:** A Council's long term financial performance and position is sustainable where planned long term service and infrastructure levels and standards are met and maintained without unplanned increases in rates or disruptive cuts to services.

**Net Financial Liabilities:** Equals total liabilities less financial assets, where financial assets for this purpose include cash, investments, receivables and repayments, but excludes equity held in Council business, inventories and land held for resale.

**Interest Cover Ratio:** Indicates the extent to which a Council's operating revenues are committed to interest expenses.

**Net Financial Liabilities Ratio:** Indicates the extent to which net financial liabilities of a Council could be met by its operating revenue.

**Operating Expenses:** Are operating expenses including depreciation but excluding losses on disposal of non-financial assets.

### Treasury Management Strategy

Operating and capital expenditure decisions are made based on:

- Identified community need and benefit relative to other expenditure options;
- Cost effectiveness of the proposed means of service delivery; and
- Affordability of proposed having regard to Council's long term financial sustainability (including consideration of the cost of capital and the impact of the proposal on Council's Net Financial Liabilities and Interest Cover ratios).

Council manages its finances holistically in accordance with its overall financial sustainability strategies and targets. This means Council will:

- Maintain target ranges for its net Financial Liabilities Ratio
- Not retain and quarantine money for particular future purposes unless required by legislation or agreement with other parties;
- Borrow funds in accordance with the requirements set out in its Long Term Financial Plan or Annual Business Plan;
- Apply any funds that are not immediately required to meet approved expenditure (including funds that are required to be expended for specific purposes and are not required to be kept in separate bank accounts) to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.



## Treasury Management Policy

### Interest Rate Risk Exposures

#### Fixed interest rate versus variable interest rate borrowings

In recognition that future movements in interest rates are uncertain in direction, timing and magnitude, Council has set range limits for both fixed and variable interest rate borrowings to achieve its objective of minimising net interest costs over the longer term and at the same time managing interest rate movement risks within acceptable limits. Therefore Council has approved the range limits set out below.

Type of Loan	Proportion of the Debt Portfolio	
	Minimum	Maximum
Floating Rate Debentures Borrowings	30%	70%
Fixed Rate Credit Foncier Borrowings	30%	70%

#### Fixed interest rate borrowings

To ensure an adequate mix of interest rate exposures, Council will maintain on average in any one year, not less than 30% of its gross debt in the form of fixed interest rate borrowings.

In order to spread its exposure to interest rate movements, Council will aim to have a variety of maturity dates on its fixed interest rate borrowings over the available maturity spectrum. Council will endeavour to have no more than one fixed interest rate borrowings maturing in any financial year.

In circumstances where Council needs to raise new fixed interest rate borrowings it will consider using medium to long term borrowing (3 years or more duration) that;

- Have a fixed interest rate;
- Require interest payments only
- Allow the full amount of principal to be repaid (or rolled over) at maturity.

#### Variable interest rate borrowings

Council will maintain not less than 30% of its gross debt on average in any year in the form of variable interest rate borrowings.

Council will make use of a variable interest rate borrowing facility and/or LGFA's Cash Advance Debenture Facility and that enables any amount of principal to be repaid or redrawn at call. The redraw facility will provide Council with access to liquidity.

These borrowings will have a long term maturity date and an interest rate that will vary from time to time.



## Treasury Management Policy

The outstanding level of drawdowns on the facility may vary during a year and between years with the timing and extend of cash inflows and outflows. This requires internal controls and delegations endorsed by Council. Drawdowns and repayments to and from the Cash Advanced Debenture Facility are to be authorised by a minimum of two staff members, being the Chief Executive Officer and one other senior staff member.

### Investments

Council funds that are not immediately required for operational expenses and cannot be applied to either reduce existing borrowings or avoid the raising of new borrowings will be invested. The balance of funds held in any operating bank account that doesn't generate investment return at least consistent with "at call" market rates, shall be kept at a level that is no greater than is required to meet immediate working capital requirements.

Council funds available for investment will be lodged "at call" or, having regard to differences in interest rates for fixed term investments for varying maturity rates.

When investing funds, Council will select the investment type that delivers the best value. In determining best value Council will consider investment returns, transaction costs and other relevant and objectively quantifiable factors.

Council management may from time to time invest surplus funds in:

- Deposits with the Local Government Finance Authority; and/or
- Bank interest bearing deposits.

Any other investment requires specific approval of Council.

### Reporting

When the Annual Accounts are finalised Council's Audit Committee will receive a specific report regarding treasury management performance relative to the criteria specified in this policy document. The report shall highlight:

- For each Council borrowing and investment the quantum of its funds, its interest rate and maturity date and changes in the quantum since the previous report; and
- The proportion of fixed interest rate (split between interest only borrowings and credit foncier borrowings), the variable interest rate borrowings at the end of the reporting period and an estimate of average of these proportions across this period with key reasons for significant variances compared with the targets specified in this policy.



## Treasury Management Policy

### Review of Policy

This Policy may be amended at any time and should be reviewed at least every four years since its adoption or last amendment.

### Availability of Policy

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## Credit Card Policy

<b>Policy Type</b>	Administrative/Financial Policy		
<b>Responsible Department</b>	Office of Chief Executive Officer		
<b>Responsible Officer</b>	Manager of Financial Services		
<b>Related policies/documents</b>	Procurement Policy		
<b>Date adopted</b>	...2019	<b>Minute Number</b>	
<b>Version</b>	2		
<b>Last reviewed</b>	October 2015		
<b>Next Review date</b>	February 2023		

### Policy Statement

Council will operate a corporate credit card system which permits an appropriate level of cards to be issued to staff within the organisation.

### Basis for Policy

The District Council of Elliston recognises that the use of credit cards is essential to efficient purchasing.

This policy sets the controls which apply to the allocation and use of credit cards.

### Policy Principles

In satisfying the policy statement, Council will observe the following principles:

- The number of cards issued will be reviewed within two (2) years after a general election of Council, or when required, to ensure the appropriateness of the number of cards being use and the reason for which the cards are issued;
- The policy will be reviewed within two (2 years) after a general election of Council or when required.

### Policy Application

The following requirements must be observed when applying this policy:

#### Conditions of Use

- The Chief Executive Officer must approve the issue of Corporate Credit Cards;
- All cardholders must have the delegated financial authority from the Chief Executive Officer to commit Council to expenditure;
- The corporate credit card recipient must comply with the conditions of any internal corporate credit card procedures;
- Council's Procurement Policy applies to all credit card purchases.



## Credit Card Policy

### Personal Use

- The credit cards are for official Council business only and are not to be used to obtain personal items under any circumstances;
- Breaches may constitute disciplinary action in accordance with Council's policies, the immediate withdrawal of the facility and possible action under the Criminal Code.

### Use by Other than the Cardholder

Council Credit Cards are only to be used by 'authorised officers' who have been approved by the Chief Executive Officer.

### Corporate Credit Cardholder Responsibilities

- Cardholders must ensure corporate credit cards are maintained in a secure manner and guarded against improper use;
- All documentation regarding a corporate credit card transaction is to be retained by the cardholder and produced as part of the reconciliation procedure;
- Credit limits are not to be exceeded;
- Corporate Credit Cards are to be returned to the Chief Executive Officer on or before the employee's termination date with a full acquittal of expenses;
- All cardholders' responsibilities are outlined by the card provider.

### Corporate Credit Cardholder Reconciliation

- All transactions must be supported with an appropriate tax invoice/receipt and the credit card transaction voucher;
- Transactions will be supported by a tax invoice/receipt stating the type of goods purchased, amount of goods purchased and the price paid for the goods;
- The tax invoice/receipt shall meet the requirements of the *Goods and Services Tax Act 1999* to enable a GST rebate to be applied;
- Transactions shall be accompanied by a job number for costing purposes;
- The cardholder shall sign and date the credit card statement with supporting documentation attached stating "all expenditure is of a business nature";
- All supporting documentation for credit card transactions shall be provided to the Accounts Officer within seven (7) days of the statement being issued;
- The payment of the Corporate Credit Card statements will be in accordance with Council's standard payment procedures to ensure adherence to internal financial control principles.





## Credit Card Policy

### Review of Policy

This Policy may be amended at any time and should be reviewed at least every four years since its adoption or last amendment.

### Availability of Policy

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## **5.5 Audit Committee Work Program for 2019**

File Reference: 9.14.1.24

Report Author: Manager Financial Services

### **PURPOSE**

To present to the Audit Committee the new Work Program for the 2019 calendar year.

### **BACKGROUND**

At the beginning of each year, the Work Program for the Audit Committee is renewed to reflect the work scheduled and the timeframes for completion for the year ahead.

### **REPORT**

Generally, the Work Program for the next calendar year is presented to the Audit Committee at a meeting held in December. Due to the Council elections, the meeting was held over until now, therefore, the current Work Program is presented in Item 5.1 and the proposed Work Program for 2019 is also being presented to the Audit Committee. (Appendix 14)

### **OFFICER RECOMMENDATION**

**That the Audit Committee receives and notes the Audit Committee Work Program 2019.**

## District Council of Elliston

### Audit Committee Work Program – 2019

(KQ – Karen Quin, RM – Rex Mooney, PC – Phil Cameron, AJ – Arthur Johnstone, LP - Lucy Patton, JM – Jain Mentieth, JL – Jill Leonard)

Activity	Meeting Date	Responsible Officers	Current Status/Outcomes	Date Completed	Follow up Action (for next year's work program)
<b>1. Financial Reporting</b>					
<p>Monitor the integrity of the financial statement reports referred to in sections 1.1 to 1.6 below to review any significant financial reporting issues and judgements which they may contain.</p> <p>Specifically - review and challenge where necessary:</p> <ul style="list-style-type: none"> <li>the consistency in application of, and/or any changes to, accounting policies;</li> <li>the method used to account for significant or unusual transactions where different approaches are possible;</li> <li>whether Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;</li> <li>the clarity of disclosure in Councils financial reports and the context in which statements are made;</li> <li>all information presented with the financial statements, and</li> <li>significant adjustments to the financial report (if any) arising from the audit process.</li> </ul>					
1.1 Budget Review #2 2018-19	Apr 2019	KQ / RM			
1.2 Annual Business Plan, Annual Budget 2019-20 Review and comment on draft ABP confirming its consistency with strategic management plans as well as commenting on the impact the plan will on Councils financial sustainability.	Apr 2019  Jun 2019	KQ / RM	Draft  Final		
1.3 Budget Review #3 2018-19	Jun 2019	KQ / RM			
1.4 Long Term Financial Plan 2020-2029	Oct 2019	KQ / RM			
1.5 Annual Financial Statements 2017-18	Oct 2019	KQ / RM			

## District Council of Elliston

### Audit Committee Work Program – 2019

(KQ – Karen Quin, RM – Rex Mooney, PC – Phil Cameron, AJ – Arthur Johnstone, LP - Lucy Patton, JM – Jain Mentieth, JL – Jill Leonard)

Activity	Meeting Date	Responsible Officers	Current Status/Outcomes	Date Completed	Follow up Action (for next year's work program)
1.6 Financial Performance Report 2017-18	Oct 2019	KQ / RM			
1.7 Budget Review #1 2019-20	Dec 2019	KQ / RM			
<b>2. Internal Controls and Risk Management Systems</b>					
2.1 Review the internal financial control framework, together with associated policies & procedures documents.	Dec 2019	KQ			
2.2 Review & comment on updated risk register including the risk assessment framework. Update to ensure that the register reflects Councils' operational & strategic risks	April 2019	PC / LP			
<b>3. Internal Audit</b>					
3.1 Receive twice yearly summary reports on internal audit work undertaken, outlining any significant issues discovered.	Jun 2019 Dec 2019	KQ / Ian McDonald			
3.2 Having regard to results of its own work program and the Council's available resources, risks and anticipated benefits and costs, the Audit Committee should identify whether there are key functions where it might recommend that an efficiency and economy audit be performed.	Ongoing	Audit Committee			

## District Council of Elliston

### Audit Committee Work Program – 2019

(KQ – Karen Quin, RM – Rex Mooney, PC – Phil Cameron, AJ – Arthur Johnstone, LP - Lucy Patton, JM – Jain Mentieth, JL – Jill Leonard)

Activity	Meeting Date	Responsible Officers	Current Status/Outcomes	Date Completed	Follow up Action (for next year's work program)
<b>4. External Audit</b>					
4.1 Liaise with the Councils' external auditor on the scope and planning of annual audits, including any issues arising from audits and the resolution of such matters.	Oct 2019	KQ / Auditors			
4.2 All correspondence between the Auditor & Council is to be tabled for consideration. The audit committee will review and comment on the Councils response to, and actions taken as a result of issues raised from any external audit.	Jun 2019 Oct 2019	KQ			
4.3 Ensure compliance with regulation 22 of the LG (Financial Management) Regulations 2011 which prevent a Council from engaging its auditor to provide any services to the Council outside the scope of the auditor's functions under the Local Government Act 1999.	Oct 2019	KQ			
<b>5. Whistle Blowing</b>					
5.1 Review Whistle blower as well as Fraud and Corruption Prevention policies	Feb 2019	KQ / JM			
5.2 Ensure the Council has in place a legislatively compliant Fraud and Corruption Policy.	Feb 2019	KQ / JM			

## District Council of Elliston

### Audit Committee Work Program – 2019

(KQ – Karen Quin, RM – Rex Mooney, PC – Phil Cameron, AJ – Arthur Johnstone, LP - Lucy Patton, JM – Jain Mentieth, JL – Jill Leonard)

Activity	Meeting Date	Responsible Officers	Current Status/Outcomes	Date Completed	Follow up Action (for next year's work program)
<b>6. Reporting Requirements of the Audit Committee</b>					
6.1 Ensure that significant, urgent matters identified through the work program are formally and promptly reported to Council.	Ongoing	KQ / CEO			
6.2 Table the minutes of audit meetings together with updated Audit Committee work programs as part of the agenda of the next Council meeting, ensuring recommendations are considered and adopted as required.	Ongoing	KQ / JL / CEO			
6.3 Prepare annually a report to Council on the Audit Committees performance over the past year and include the report in the Annual Report of Council.	Oct 2019	KQ / RM			
6.4 Audit Committee Member Training Audit Committee Member Induction Session	Ongoing Feb 2019	KQ RM			
6.5 Review terms of reference on a biennial basis	2020	KQ			

## District Council of Elliston Audit Committee Work Program – 2019

(KQ – Karen Quin, RM – Rex Mooney, PC – Phil Cameron, AJ – Arthur Johnstone, LP - Lucy Patton, JM – Jain Mentieth, JL – Jill Leonard)

Activity	Meeting Date	Responsible Officers	Current Status/Outcomes	Date Completed	Follow up Action (for next year's work program)
<b>7. Financial Governance</b>					
7.1 The following policies are due for review in 2018:	Feb 2019	KQ / JM			
<b>Due Date</b> <b>Policy</b>					
Apr 2018    General Ledger					
Apr 2018    Internal Financial Controls					
Nov 2018    Community Group Loan					
Nov 2018    Debt Recovery					
Nov 2018    External Grant Funding					
Nov 2018    Petty Cash Policy & Procedure					
Nov 2018    Treasury Management					
Jan 2019    Credit Card					
<b>8. Other</b>					
8.1 Update Strategic Management Plan 2019 to 2023					
8.2 Update Asset Management Plans (NB Review of LTFP included in section 1 above)	Oct 2019	CEO / RM / KQ / AJ			
8.3 Annual Performance of Investments Report	Dec 2019	KQ			
8.5 Prepare annually a Training & Conferences Summary Report	Dec 2019	KQ			
8.6 Prepare Audit Committee work program for 2019 Calendar year	Feb 2019 Dec 2019	RM			

## **6. Meeting Close and Next Meeting**