

# PAYMENT OF ACCOUNTS POLICY



Responsible Officer	Chief Executive Officer
Initial Council adoption	4 March 2008
Amendments	
Last Council adoption	9 December 2021
Review due	2024

## 1. OBJECTIVES

- To safeguard the funds of the Council and to provide a transparent record for authorisation of expenditures which reflect good accounting practice and the requirements of local government legislation.
- To facilitate communication to representatives of Catalina Regional Council (CRC) and to the public about probity practices associated with the payment of accounts of the Council.

## 2. DELEGATION OF AUTHORITY

The Council has delegated authority to the Chief Executive Officer to make payment of accounts in accordance with Regulation 13.1 of the *Financial Management Regulation*.

## 3. RISK PROFILE

When exercising functions relating to payment of accounts, the following matters should be considered:

- That relevant delegations are current and complete;
- That bank authorisations are current and complete;
- That chequebooks, bank tokens and passwords are adequately secured;
- That procedures in relation to the use of credit cards, chequebooks, bank tokens and passwords are documented;
- That procedures for recording obligations for expenditure and for authorising payments prior to payments being made are adequate and appropriately recorded and communicated; and
- That all accounts and expenditures are made consistent with the Council's Procurement, Purchasing & Investment Policies.

## 4. GUIDELINES

### a) Securing CRC Cheque Instruments

- Only one chequebook will be maintained at any one time;
- A secure location will be identified for retention of the chequebook;
- Only authorised staff signatories will be advised of the location of the chequebook;
- A monthly reconciliation of cheque instruments recorded on bank statements and the balance of cheque instruments maintained in the chequebook will be made by the Executive Assistant and approved by the CEO;

- The External Auditor will be required to verify the retention practices and check that the balance of cheque instruments reconciles to instruments recorded in the bank statement.

## **b) Security of Tokens and Passwords**

- On an annual, or more frequent basis (if required), financial institutions will be requested to supply to external auditors details covering the number of passwords and number of tokens issued to CRC staff representatives. The External Auditor will be asked to reconcile information provided by banks with information provided by staff members.
- Relevant staff members are to be advised of the procedures for operating bank accounts with tokens and passwords and the limits of delegation from the CRC Council and in respect of tokens and passwords.
- Relevant staff are to be acquainted with bank requirements and CRC requirements relating to reporting of forgotten or lost passwords and tokens.
- Relevant staff representatives are to be acquainted with procedures for reporting potential breach of security in respect of passwords or tokens.
- A compliance checklist covering the points above is to be provided to and completed by staff members provided with passwords and tokens to ensure current knowledge of requirements and responsibilities.

## **c) Purchasing and Credit Cards**

Refer to the Credit Card Policy for further information.

## **d) Incurrence of Expenditure/Liability on Behalf of CRC**

- All monetary liabilities incurred on behalf of CRC must conform to the Council Procurement Policy or otherwise be specifically resolved by the CRC Council.
- In brief, incurrence of expenditure is to be:
  - In accordance with allocations in the CRC budget;
  - If not in budget, in reference to specific Council resolutions;
  - Subject of tender or quotation as required by CRC Purchasing Policy;
  - Subject of an order issued on behalf of CRC by a person authorised under delegation and otherwise in accordance with the Council's Purchasing Policy.

## **e) Reporting of Payment Activity**

All expenditures incurred or payments made are to be reported to the Council in reference to budget and statutory requirements including:

- Annual budget
- Statutory budget review (by 31 March)
- Financial Management Regulations, particularly relating to lists of payments for Council information (Regulation 13)
- Monthly financial statements (Regulation 14)

## f) Receipt of Goods and Services

- A delivery docket and/or account must accompany all goods purchased by CRC (except minor purchases covered by a detailed receipt).
- Goods and services will be checked to purchase orders, investment instructions, letters of commission or contracts as appropriate.
- The person checking receipt of goods will endorse the appropriate instrument with verification that goods or services have been received and note any variation in supply to requirements.
- Where there is no variation in supply, the receiving officer shall also authorise payment for goods and services.
- Where there is a variation in supply regulations, the variation will be noted together with an appropriate adjustment to the payment obligation of the CRC.
- In the event that the value of the variation exceeds 10% (plus or minus) of the initial amount, a variation docket will be prepared and attached with the original order or other instrument.