

Shire of Wiluna Policy Manual

PAYMENT OF ACCOUNTS

Policy 2.16

Intent: Payment of expenses should be managed to incur the least risk and cost for the Council and the Shire. Flexibility in payment arrangements will ensure that less Shire resources are used in making payments. It is intended that making payments will always be authorised by an appropriately delegated officer. Any misuse of Council resources will not be tolerated and disciplinary and/or criminal action may result.

Purpose: This policy will outline the payment options available to the Shire and the controls over each type of payment method. This Council will make payments using Electronic Funds Transfer (EFT) or by using a Shire corporate credit card.

Principles:-

- 1 Wherever possible, payments will be made by EFT to a bank account nominated by the creditor which is the most cost-effective means of payment and allows for the timeliest receipt of payments.
- 2 Payments will be processed in a timely manner to ensure that the Shire obtains any prompt discounts, avoids late payment penalties and establishes the Shire's reputation as a business of choice for supplies.
- 3 Signatories/authorised persons for EFT payments are deemed either primary or secondary, with the relevant positions being grouped as follows:
Primary Signatory/Authorised Person
 - Chief Executive Officer
 - Deputy Chief Executive Officer
 - Manager of FinanceSecondary Signatory/Authorised Person
 - Executive Manager Technical Services
 - Any other officer nominated by the CEO, from time to time as operational requirements may dictate.
- 4 All EFT or cheque payments are to be signed/authorised by two signatories / authorisation with **at least ONE** of those being a PRIMARY signatory / authorised person.
- 5 In the case where an urgent/emergency payment is required and a primary signatory/authorised person is not on-site, two secondary signatories can sign the urgent/emergency payment and at least one primary signatory must then counter-sign when available. In this instance, the primary signatory, if contactable, should approve the use of two secondary signatories verbally or through other communication means
- 6 For any transfers of funds between the Shire of Wiluna's own operating accounts, including the transfer of funds between the Shire's Municipal, Trust, and Reserve accounts, or for transfer of funds into or from investment accounts, two signatories / authorisations are required as per points 3, 4 and 5.
- 7 All payments will be supported by:
 - a tax compliant invoice, if applicable.
 - notification by a Shire employee that the goods or services have been received
 - where required, a copy of the Shire's purchase order which has been

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signed by an authorising officer.

- 8 Those officers authorising EFT payments are responsible for ensuring the completeness and correctness of the voucher presented for payment.
- 9 A Shire employee cannot authorise a purchase or sign a voucher where that officer receives a personal benefit from the payment or purchase.
- 10 That a schedule of payments made in each month shall be presented to the Ordinary meeting of Council held in the subsequent month regardless of the payment system used.

PAYMENTS BY CHEQUE

The Shire does not issue cheques for the payment of good or services.

PAYMENTS BY ELECTRONIC FUNDS TRANSFER (EFT)

- 1 All EFT payments are to be subject to the same payment voucher and accounting requirements and In addition:
 - A copy of the funds transfer report generated by the banking system is to be retained and attached to invoices paid
 - Officers who enter passwords to sign on the funds transfer report, or on a suitable form indicating the transfer has taken place. This must also be attached to invoices paid.
- 2 The creditor must provide written confirmation of relevant bank account details prior to any EFT payments. Oral advice of bank account details is not sufficient. The form used to gather information about banking will also outline that the Shire will not make good on any monies deposited to wrong accounts. The form must be authorised by an owner or manager of the creditor business and email confirmation of changes a creditors banking details is not acceptable.
- 3 Remittance advices, providing payment details, are to be forwarded to the vendor by email where available
- 4 Any EFT payments which are rejected and returned to the Shire are to be followed up and corrected promptly. The party responsible for the error is responsible for recovering the monies. The Shire will only make a correcting payment to the creditor where the Shire is directly at fault. In this case, the Shire will take immediate action to recover the monies from the incorrect creditor.
- 5 Security will be paramount when dealing with on-line records. Authority to change the setup parameters of the Shire's on-line banking facility will not be vested in a single system administrator. Access to the system will be periodically reviewed. The Accounting System output files/bank input files are to be kept only in a restricted access file directory while awaiting upload to the bank. Access to the file directory where bank input files are kept is to be restricted.
- 6 Those that authorise electronic transfer are to ensure that they first reconcile each payment in a batch with appropriate payment vouchers, and that the vouchers have been properly prepared and authorised.
- 7 Any apparent discrepancies or charges that appear inappropriate are to be drawn to the immediate attention of the CEO.

PAYMENTS BY CREDIT CARD

- 1 Credit cards may only be used for official Council business (in the same spirit as which purchase orders are issued.)
- 2 The Chief Executive Officer will determine which staff is to be issued with credit cards, and the monthly credit limits to apply. Credit cards will only be issued to

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- staff that show an understanding and willingness to comply with the proper managements of the card to ensure its safety and prevent misuse.
- 3 Officers who receive a credit card must agree in writing to ensure the security of the card, that any misuse will be repaid immediately, any payment not substantiated by a tax invoice will become the personal responsibility of the card holder, and that the reconciliation of the account will occur as soon as possible after receipt of the statement of account.
 - 4 Credit card statement reconciliations (detailing all purchases) must first be authorised by the card-holder and then handed to the CEO, for cross-authorisation and checking. In the case of the CEO being the card-holder, the Shire President must also sign the reconciliation.
 - 5 Credit card limits will be set at a reasonable level to ensure security of the card while facilitating ease of purchasing for the card holder.
 - 6 Credit card purchases do not require the preparation of a Council purchase order.
 - 7 Corporate credit cards are not to be registered for frequent flyer or other rewards programs. Any benefits that accrue from the use of corporate credit cards must not be used for the personal benefit of cardholders.
 - 8 The CEO will cancel cards or reduce limits if staff do not manage them in accordance with the signed use agreement and/or fail to submit timely and accurate credit card reconciliations. Further, any necessary recovery and/or legal action will be taken for any misappropriation of funds through credit cards.

Document Control	
Responsible Directorate	Office of the CEO
Relevant Section	Corporate
Legislative Requirement	
Council Meeting Held & Adopted, Resolution #	27 June 2012 116/12
Amendments, Date & Resolution #	23 Oct 2013 097/13
	26 July 2017 121/17
Review Dates & Resolution #	27 May 2015 092/15
Next Review Date	