

DISBURSEMENTS FROM BANK ACCOUNT

Policy No. 080

1 Purpose

To appoint persons to authorise disbursements from Council's bank account and establish sound internal controls and practices to ensure all bank disbursements are made only after proper authorisations and safeguards and in a manner approved by Council.

2 Scope

The Disbursements from Bank Account policy establishes that cash is disbursed:

- only for valid business purposes;
- after approvals by authorised persons; and
- in compliance with regulatory and corporate governance mandates.

All money received by a council must be paid into an authorised deposit account, and all expenditure made by a council must be made from an authorised deposit account (*Local Government Act*).

Council is required to ensure that there are proper policies and procedures in place to safeguard its assets in accordance with Regulation 10 of the *Local Government (Accounting) Regulations*.

3 Policy Statement

Disbursements from Councils bank accounts are made by cheque or by electronic payment. All disbursements from Council bank accounts must be authorised by two signatories; a Primary and a Secondary signatory.

Payment Authorisers are classified as either Primary or Secondary Authorisers, as follows:

Primary Authorisers

Chief Executive Officer
 General Manager City Performance
 General Manager City Life
 General Manager City Operations
 General Manager City Futures
 Executive Manager

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Secondary Authorisers:

Manager Finance
 Management Accountant
 Financial Accountant
 Revenue Supervisor
 Assets Accountant
 Manager Economic Development, Tourism & International Relations

The responsibilities and delegated authority for primary and secondary authorisers is not assumed by a person acting in that role for any period of time less than 12 months.

A key principle of this policy is to ensure where possible, separation of duties is maintained. Council endorses an internal control framework for disbursements from bank accounts as follows:

Cheques

- cheques must be signed by two people
- cheques may be signed by anyone classified as a Primary Authoriser together with a Secondary Authoriser
- cheques may be signed for the purpose of allowing cash payments subject to appropriate documentation, receipts, purchasing policy and procedure compliance

Electronic Funds Transfers

- electronic disbursements cannot be created by an authoriser
- electronic disbursements must be authorised by two people
- electronic disbursements may be authorised by anyone classified as a Primary Authoriser together with either another Primary or Secondary Authoriser
- disbursements should not be authorised by two Secondary Authorisers except in the following circumstances:
 - where a Primary Authoriser is not available and the payment is within one hour of the payment transfer deadline;
 - where the payment is internal in nature i.e. transfer between accounts; and
 - where there are concerns regarding the availability of authorisers for the payroll

4 Definitions

A **disbursement** is a payment of money from Council’s bank account in the form of a cheque or electronic funds transfer (EFT) only.

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An **internal control** is a system or process put in place to provide a reasonable assurance that organisational objectives are being met.

5 Legislative References

6 Procedures / Related Documents

- Local Government Act
- Local Government (Accounting) Regulations
- Australian Accounting Standards

Nil

7 Responsibility / Application

The Chief Executive Officer is responsible for ensuring that this policy is adhered to and understood by Finance and authorised signatories.

This policy will be reviewed every four (4) years or as required by changes in legislation or banking system requirements etc.

8 Document Control

Council Policy			Responsible Officer:	
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1	21\2656	30/09/2014	Adopted	2018
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3				

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