
FINANCE POLICIES

Authority to Make Payments from Trust & Municipal Funds



Policy Number:	F5
Relevant Delegation:	1.1.17 Payment from the Municipal or Trust Funds
Adoption Details:	28 January 2016
Last Review Details:	26 May 2020

POLICY OBJECTIVE:

To ensure there are appropriate systems to authorise payments from Trust and Municipal Funds in order to safeguard financial resources.

POLICY SCOPE:

This Policy applies to the authorisation of all payments made from the Trust or Municipal Funds.

POLICY STATEMENT:

INTRODUCTION

It is imperative that the ability to make payments from the Shire's bank accounts is restricted to key staff. Shire funds need to be kept secure and payments need to be supported by appropriate records and approval processes. A lack of good governance around funds could expose the Shire to significant financial loss.

PRINCIPLES

- (a) the ability to make payments from the Shire's bank accounts is restricted.
- (b) all payments processed by the Shire, both cheque and EFT, are supported by proper verification, record keeping and authorisation.

PROVISIONS

- 1.1 In accordance with the *Local Government (Financial Management) Regulations 1996*, 12 and 13, the Chief Executive Officer, the Executive Manager Corporate and Community Services and the Executive Manager Infrastructure and Development Services be delegated to authorise payments on behalf of the Council.
 - 1.2 All cheques, from both the Municipal and Trust Funds, must be countersigned by the Chief Executive Officer, the Executive Manager Corporate and Community Services or the Executive Manager Infrastructure and Development Services and one other authorised officer. Authorised officers are listed in Delegation 1.1.17. (For the avoidance of doubt, members of the Executive Management Group may sign jointly).
 - 1.3 Sufficient supporting documentation must be recorded against cheque details and stored in the financial system.
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- 1.4 Electronic Fund Transfers (EFT) from the Trust and Municipal Fund be subject to the following conditions:
- (a) The EFT payments relating to payroll must be authorised by at least two officers.
 - (b) One authorising officer must be a member of the Executive Management Group.
 - (c) The EFT payments other than payroll be authorised by two officers, with at least one being a signatory to Council cheques as per 1.0 above.
 - (d) Authorisation of appropriate officers will be as per Delegation 1.1.17.

PENALTIES:

Not applicable.

KEY TERMS/DEFINITIONS:

EFT means Electronic Funds Transfer

Executive Management Group – Chief Executive Officer, Executive Manager Corporate and Community Services, Executive Manager Infrastructure and Development Services as a collective.

Responsible Officer: Chief Executive Officer
Contact Officer: Chief Executive Officer
Relevant Legislation: Local Government Act 1995 – Section 6.10
Local Government (Financial Management) Regulations 1996 & 13(2)
Review History:

Date Review Adopted:	Resolution Number
Date Adopted – 28 January 2016	
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Former Policy No:	F1.5