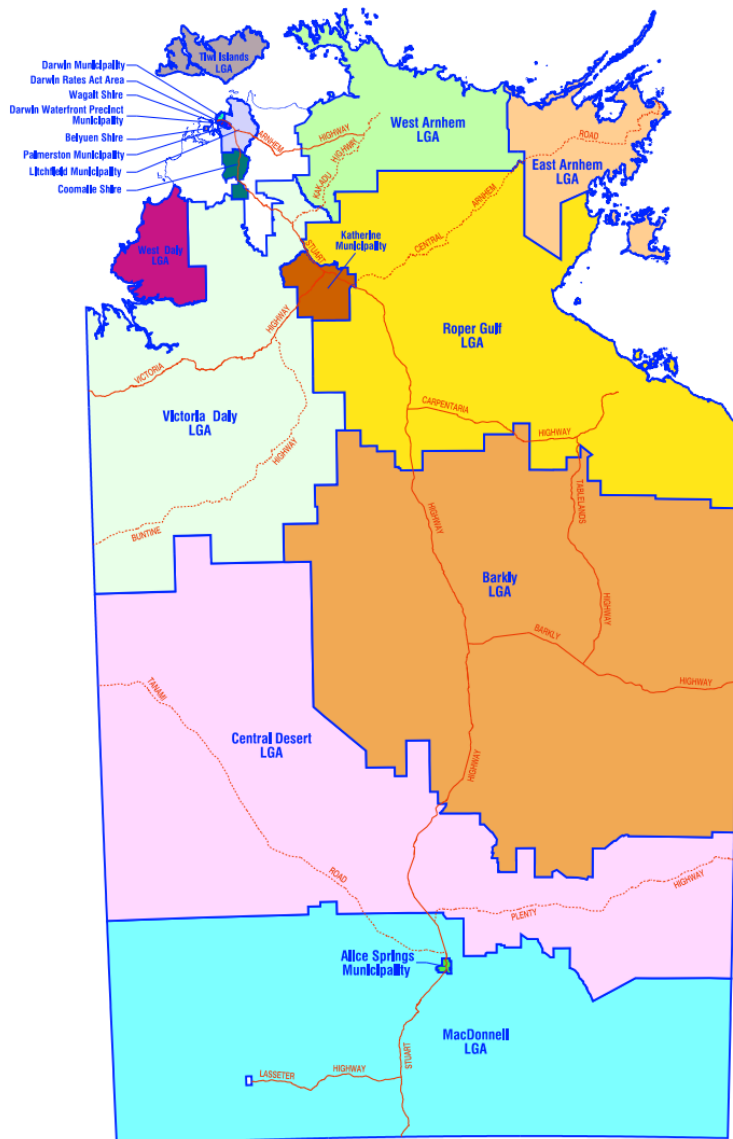


councilBIZ

Finance and Accounting Policy Manual



15 October 2020

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1. Purpose

- 1.1 The Finance and Accounting Policy Manual (the “Manual”) documents the Internal Controls adopted by CouncilBIZ to safeguard assets and secure the accuracy and reliability of accounting data and financial reporting, thereby promoting operational efficiency and compliance with relevant legislation and standards.

2. Scope

- 2.1 The Manual covers accounting, financial reporting and financial governance activities of CouncilBIZ.

3. Definitions

- 3.1 Definitions within the Manual are consistent with Australian Accounting Standards.

4. Legislative and Corporate Requirements

- 4.1 The Manual is to be read and implemented in conjunction with the CouncilBIZ’s other relevant policies, strategies and documents, including but not limited to:

4.1.1 Local Government Act, Regulations and Guidelines

4.1.2 Constitution of CouncilBIZ

4.1.3 Strategic Plan

4.1.4 Delegations Policy and

4.1.5 Governance Framework

5. Finance and Accounting Policy Statement

- 5.1 It is CouncilBIZ policy that:

5.1.1 It will have an adequate system of internal controls which promote high level of compliance with the Local Government Act, Regulations, Guidelines, CouncilBIZ Constitution and relevant Standards.

5.1.2 It will carry out its activities in an efficient and orderly manner, ensure adherence to policies, safeguard CouncilBIZ’s assets and financial sustainability, and secure the accuracy and reliability of financial records.

6. Application of Policy

- 6.1 This Manual brings together those policies and procedures that relate to the finance and accounting activities of CouncilBIZ.
- 6.2 To maximise the accuracy and reliability of CouncilBIZ financial records and internal control procedures with emphasis the following:
 - 6.2.1 Separation of roles and functions performed by staff
 - 6.2.2 Review and reconciliation of financial records
 - 6.2.3 Detecting and correcting irregularities
 - 6.2.4 Access to, and security of, financial applications
 - 6.2.5 Access to, and security of, cash, assets and other CouncilBIZ resources
 - 6.2.6 Sound budget management including reviews
 - 6.2.7 Clear codification of policies and procedures
 - 6.2.8 Containing the financial and accounting risks faced by CouncilBIZ to an acceptable level
 - 6.2.9 Prudent Financial Governance

7. General Financial Transactions

7.1 Accounting/Bookkeeping

- 7.1.1 CouncilBIZ accounting records will be maintained on a full accrual basis using up to date methods of electronic data processing.
- 7.1.2 The following accounting records will be maintained:
 - a) Cash – consecutive record of cash receipts and payments
 - b) General Journals
 - c) General Ledger
 - d) Subsidiary Ledgers including Receivable/Payable/Assets
 - e) Other records necessary to fully document and explain the financial transaction of CouncilBIZ as required to comply with the Local Government Act and Regulations, CouncilBIZ Constitution and other financially expressed obligations

- 7.1.3 Subsidiary ledgers shall be reconciled with the general ledger at least monthly.
- 7.1.4 There will be adequate and appropriate supervision of employees with sufficient employee backup to ensure that accounts and ledgers are adequately maintained.
- 7.1.5 The Accountant must sight and review all receipt reversals, journals, credit notes, reversal of rates journals and alterations to parameters of the accounting system.
- 7.1.6 Employees working within the accounting function will have the capabilities and training, commensurate with their responsibilities.

7.2 Monies Received

- 7.2.1 The payer shall be issued with a receipt/tax invoice upon request.
- 7.2.2 Receipts shall be issued in numerical sequence.
- 7.2.3 Details of each receipt shall be retained for the period prescribed.
- 7.2.4 Details of each voided or reversed receipt shall be retained for the period prescribed.

7.3 Banking

- 7.3.1 Banking shall be reconciled with receipts.
- 7.3.2 Detailed electronic records of CouncilBIZ's banking activities must be kept.

7.4 Petty Cash

- 7.4.1 Cash payments may be made out of a petty cash account established by CouncilBIZ for expense reimbursement only. Cash advances are not permitted unless authorised by the General Manager.
- 7.4.2 A cash reimbursement cannot, in respect of any particular docket or voucher, exceed \$100 (including GST) unless authorised by the Senior Financial Consultant.
- 7.4.3 The cash float for petty cash purposes is \$500.
- 7.4.4 The petty cash account must be reconciled at least monthly.
- 7.4.5 Approval of dockets and vouchers is to be authorised in accordance with CouncilBIZ's Delegation
- 7.4.6 Petty cash transactions shall be recorded and supported by petty cash dockets and receipts or Statutory Declaration where receipts cannot be provided.

- 7.4.7 The recipient of the petty cash will be required to sign a petty cash docket and provide supporting documentation when claiming.
- 7.4.8 The recipient of cash must not be the Authorising Officer, even if the staff member has delegated authority. The recipient must have a more senior delegated officer or one of equal authority sign the petty cash form.
- 7.4.9 Receipts presented to support petty cash purchases must quote the suppliers ABN and/or be a tax invoice where appropriate.
- 7.4.10 A reconciliation of petty cash floats will be undertaken at least monthly.
- 7.4.11 All responsible officers who administer petty cash must ensure they are fully aware of their responsibilities for safeguarding petty cash and have read and understood the petty cash procedures contained in this Manual.
- 7.4.12 Receipts which do not end in round dollars will need to be rounded when reimbursed via petty cash. The following approach will be taken in such instances:
 - (a) Receipts ending in 1 or 2 cents will be rounded down to zero
 - (b) Receipts ending in 3 or 4 cents will be round up to 5 cents
 - (c) Receipts ending in 6 or 7 cents will be round down to 5 cents
 - (d) Receipts ending in 8 or 9 cents will be rounded up

7.5 Bank Accounts

- 7.5.1 Bank accounts will be operated exclusively for the purpose of conducting CouncilBIZ business.
- 7.5.2 Those presently approved as authorisers on bank accounts are:
 - a) General Manager
 - b) Senior Financial Consultant
 - c) IT/Operations Manager
 - d) Lead Support Consultant and
 - e) Chair
- 7.5.3 At least two authorised bank signatories are required to authorise disbursements from bank accounts.

- 7.5.4 All accounts will be in the name of CouncilBIZ. New accounts can only be opened with the approval of two of the authorisers.
- 7.5.5 Bank reconciliation for each bank account operated by CouncilBIZ shall be prepared monthly.
- 7.5.6 Transactional banking is presently carried out through Westpac. Banking trends and costs will be monitored by the Senior Financial Consultant and this relationship will be maintained unless determined otherwise by CouncilBIZ resolution.

7.6 Investment

- 7.6.1 Investment of CouncilBIZ's surplus funds will be with recognised banks unless determined otherwise by CouncilBIZ Board resolution.
- 7.6.2 Investment performance will be reviewed at the end of each financial year, and the outcome will be reported to the Board.

7.7 Debtors

- 7.7.1 CouncilBIZ provides a range of services to its Members. Income is received after the service is provided and a tax invoice is raised. It remains a debt to CouncilBIZ up to the time it is paid or written off (see below).
- 7.7.2 Tax Invoices numbers will be system generated and issued in numerical sequence and meet Australian Taxation Office (ATO) legislative requirements.
- 7.7.3 Electronic records shall be maintained for all debtors and transactions relating thereto.
- 7.7.4 Debtors have 30 days from the date of invoice before the amount is considered "overdue".

7.8 Debt Collection

- 7.8.1 CouncilBIZ will apply prudent debt management practices. Outstanding debtor balances shall be reviewed at least monthly and appropriate action initiated to recover debts. This will include:
 - (a) After 30 days – First Reminder email
 - (b) After 60 days - Referral to the next scheduled Executive Committee Meeting
- 7.8.2 CouncilBIZ must ensure that debt is managed in a way which is fair and equitable to the debtor and efficient for both parties. CouncilBIZ acknowledges

that a debtor's financial circumstances can change. As a result, if financial difficulties are experienced or are anticipated, a debtor is encouraged to promptly initiate discussions with the General Manager to seek alternative arrangements.

- 7.8.3 Should the debtor fail to meet the payment terms without having made contact with CouncilBIZ regarding difficulties, CouncilBIZ will invoke its standard debt recovery procedures to ensure a fair, equitable and consistent approach to all debt follow up. At all times consideration will be given to the amount overdue and the circumstances of the debtor.

7.9 Provision for Doubtful Debts

- 7.9.1 A provision for doubtful debts will be established for aged debts greater than 150 days, taking into account:
- a) The size and nature of the debt
 - b) The debtor in question
- 7.9.2 Aged debts less than 150 days may be provided for if the recovery is known to be unlikely.
- 7.9.3 Outstanding debtor balances shall be reviewed annually towards the end of each financial year to ensure doubtful debts are adequately provided for.

7.10 Bad Debts/Write Offs

- 7.10.1 Debts shall be written off only when all reasonable attempts at recovery have been taken and failed.
- 7.10.2 Debts that are considered irrecoverable, or where the cost of recovery is uneconomic, shall be written off as a bad debt.
- 7.10.3 The write off of debts must occur in accordance with Rule 24.2 of the CouncilBIZ constitution.

7.11 Credit Cards

CouncilBIZ has determined the following as its Credit Card Policy in relation to applicability of the General Manager (Chief Executive), it is established pursuant to Regulation 6(2) (a) of the Local Government (General) Regulations 2020.

- 7.11.1 The General Manager, IT/Operations Manager and Senior Financial Consultant may maintain CouncilBIZ owned credit cards. Credit cards must only be used when it is not reasonably possible, timely and / or cost effective to go through

CouncilBIZ's normal procedures for the ordering and / or payment of goods and services.

- 7.11.2 Expenditure on credit cards, inclusive of GST, will be limited to the maximum credit balances as follows:
- a) General Manager \$20,000
 - b) IT/Operations Manager \$10,000
 - c) Senior Financial Consultant \$10,000
- 7.11.3 The IT/Operations Manager and Senior Financial Consultant Credit Card Statements must be approved by the General Manager.
- 7.11.4 The Chief Executive's Credit Card Statement must be approved by the Chair.
- 7.11.5 Credit card expenditure must be signed by the card holder and supported by the appropriate documentation and be submitted to the Finance Officer (Accounts Payable) for reconciliation with the statement of account.
- 7.11.6 The cardholder must ensure that a satisfactory description of the goods or services purchased is on the sale docket/tax invoice.
- 7.11.7 In the event the cardholder is unable to produce a valid tax invoice / receipt, a Statutory Declaration must be submitted by the cardholder confirming that the nature of the item purchased, the item was work related expenditure and the reason a tax invoice or receipt was not provided.
- 7.11.8 Credit card's cannot be used for:-
- a) Cash withdrawals
 - b) Non Work Related Expenditure of any kind which includes hospitality or entertainment
 - c) Items of equipment that must be recorded on an asset register (unless approved by the General Manager, and in the case of the General Manager, by the Chair)
 - d) Internet transactions which are not on a secure web site
 - e) Membership for recreational, sporting, social clubs or similar
 - f) Dangerous goods and hazardous substances
 - g) Foreign currency

Credit cards cannot be linked to any form of loyalty program.

- 7.11.9 Personal expenditure charged by a Cardholder to their CouncilBIZ Card will be treated as a serious breach of policy. Disciplinary action may include, but not be limited to: formal warning, administrative action in the form of card cancellation, cost recovery, Police report and / or criminal proceedings and / or dismissal.
- 7.11.10 The cardholder will not permit use of the card by another person except for work related expenses incurred with prior approval.
- 7.11.11 Where a credit card is lost or stolen, the cardholder must immediately report to the Bank for cancellation and notify the General Manager and in the case of the General Manager, the Chair.
- 7.11.12 Any staff member who does not comply with the conditions of use, will have the cards withdrawn and may be subject to disciplinary action.
- 7.11.13 The cardholder must return the card by no later than the last day of employment should they cease to be an employee of CouncilBIZ or when so directed by the General Manager.
- 7.11.14 It is the Cardholder's responsibility to ensure that all transactions listed on the Credit Card Statements are correct. If a cardholder does not agree with or recognise a transaction or charge on their Card, the Cardholder must investigate the transaction with the supplier and where necessary, lodge a 'Disputed Transaction Form' with CouncilBIZ's Bank. This must be done within 3 months of the transaction date of the disputed transaction or it will be recharged to the cardholder as a personal expense.
- 7.11.15 Reconciliation of Credit Card Statements must be completed each month.

7.12 Accounts for Payment and Disbursements

- 7.12.1 All accounts for payment shall be certified by a Finance Officer as to:
 - a) The receipt of the goods and services being in accordance with the relevant official purchase order
 - b) The prices charged being fair and reasonable
 - c) The calculations and additions being correct
 - d) The allocation of the payment to the correct ledger account
- 7.12.2 Authorisation of payments/disbursements must be in accordance with the CouncilBIZ Delegations Manual.

- 7.12.3 A payment on behalf of CouncilBIZ must be made by Electronic Funds Transfer (EFT) or Direct Debit on CouncilBIZ's bank. All disbursements shall be authorised by any two authorised persons.

7.13 Loans/Borrowings

- 7.13.1 There will be no loans or borrowings unless approved by the Board for essential asset replacement/renewal and/or extraordinary items.
- 7.13.2 New loans must be authorised by resolution of CouncilBIZ.
- 7.13.3 Loans raised by CouncilBIZ will be separately accounted for and be identifiable in the accounting records.
- 7.13.4 A register of loans raised by CouncilBIZ will be maintained by the Senior Financial Consultant.
- 7.13.5 Borrowings will be through the bank unless separately determined by CouncilBIZ resolution.
- 7.13.6 A loan servicing and debt reduction schedule will be submitted to the Board during development of the annual budget or when considering a loan rollover.
- 7.13.7 For further details refer to Section 14 - Treasury Management Policy in this Manual.

7.14 Fringe Benefits Tax

- 7.14.1 Fringe Benefits Tax (FBT) is paid on benefits in place of, or in addition to, salary or wages of employees.
- 7.14.2 CouncilBIZ will comply with FBT legislative requirements.

7.15 Goods and Services Tax

- 7.15.1 The Goods and Services Tax (GST) is a broad-based consumption tax on most supplies of goods and services consumed in Australia.
- 7.15.2 CouncilBIZ's ABN is 58 556 215 599.
- 7.15.3 CouncilBIZ is a registered organisation for the purposes of GST, therefore GST is payable on goods and services CouncilBIZ sells or supplies to others in the course of business. These supplies are called taxable supplies.

- 7.15.4 There are other types of supplies where GST does not have to be included in the price. These are called input taxed supplies and GST-free supplies.
- 7.15.5 CouncilBIZ will keep a register of Fees and Charges and their relevant GST applicability which is reviewed yearly during the development of the annual budget.
- 7.15.6 For purchases of goods and services exceeding \$82.50 and which attract GST, CouncilBIZ must obtain a complying Tax Invoice. For amounts less than \$82.50 an account detailing items supplied with total GST is sufficient.
- 7.15.7 All invoices for CouncilBIZ supplies exceeding \$82.50 and which attract GST must be complying Tax Invoices.
- 7.15.8 Monthly remittances of GST received and paid will be submitted on CouncilBIZ's Business Activity Statement (BAS).

7.16 External Auditor

- 7.16.1 In accordance with the Audit and Risk Management Committee (ARMC) Terms of Reference, ARMC will:
 - a) Review the adequacy of audit scope and coverage
 - b) Review management's response to External Audit recommendations and monitor implementation of agreed recommendations
 - c) Meet with the External Auditor at least once per year to receive direct feedback about any key risk and compliance issues and to provide feedback on the auditors performance and
 - d) Advise the Board about the appointment of the External Auditor

7.17 Annual Budget/Annual Plan

- 7.17.1 CouncilBIZ will adopt an annual budget and Annual Plan in accordance with the Constitution and by no later than 30 June for the ensuing financial year. The budget will comply with the standards and principles prescribed under the Local Government Act, Regulations and CouncilBIZ Constitution.
- 7.17.2 As part of the annual budget process CouncilBIZ will prepare an Annual Plan in accordance with the CouncilBIZ Constitution.
- 7.17.3 The following budget principles will underpin the budget development:
 - a) Honest & Accountable - with a framework of reporting that is open and transparent

- b) Strategic Approach - to the delivery of CouncilBIZ services within CouncilBIZ's strategic priorities
- c) Forward Financial Planning - with long term financial plans of a minimum of three years to ensure sustainability of operations and careful consideration of the impact on CouncilBIZ's key strategic financial indicators
- d) Realistic Budgeting - based on best available information at the time of budget preparation
- e) Meet Long Term Liabilities - and ensure appropriate funding for infrastructure provisions
- f) Affordable Fees - balanced against meeting CouncilBIZ objectives and the Members ability to pay
- g) Avoid Cost Shifting - from other levels of government
- h) New Initiatives - fully costed and evaluated in terms of meeting CouncilBIZ's strategic priorities
- i) Asset Sales and Debt - will ensure the operations do not rely on asset sales to fund core services. Debt may be used as a strategic tool to fund infrastructure needs
- j) Financial Control - to minimise CouncilBIZ's exposure to risk

7.17.4 The budget performance will be reviewed each month by the Senior Financial Consultant and any material variances or forecasts will be immediately reported to the General Manager.

7.17.5 The Senior Financial Consultant will present at Executive Committee and Board Meetings, a report that compares budgeted performance to actual performance with explanations for significant budget variances.

7.17.6 The CouncilBIZ Board is solely responsible for approving any change to CouncilBIZ's overall budget.

7.17.7 A chart of accounts shall be used to divide financial records into assets, liabilities, income, expenses and equity.

7.17.8 The chart of accounts is in the form 1.aaaabb.ccdd available in TechnologyOne.

Where the following coding will apply:

- 1 – Entity (CouncilBIZ)
- aa determines the Cost Centre – (Action)
- bb determines the member Council – (SDC)
- cc determines the category of income, expense or a balance sheet category.
- dd determines a sequential account within a category.

7.18 Loans to Third Parties

- 7.18.1 CouncilBIZ will not provide any form of financial security to third parties (including Members, employees or others) through the lending of or provision of security for finances.

8. Financial Reserves Policy

8.1 Purpose

- 8.1.1 To ensure sustainable and responsible financial management of CouncilBIZ, through consistent identification, administration and usage of financial reserves.

8.2 Policy Objectives

- 8.2.1 The objective of this policy is to support the purpose and ensure that CouncilBIZ follows the requirements in content and timing stipulated by the Local Government Act 2019, Local Government (General) Regulations 2020 and the principles of the Australian Accounting Standards

8.3 Policy Statement

- 8.3.1 CouncilBIZ will have three (3) Financial Reserves as follows:
- a) Assets Replacement Reserve.
This reserve is for the replacement of core hardware and operating system software.
 - b) Productivity Reserve
This is for upgrade and replacement of Microsoft desktop software.
 - c) Business Reserve
This reserve is for the upgrade and implementation of the business software used by Members.

- 8.3.2 All transfers to and from reserves will be assessed at least annually during the development of the annual budget and the update of the Long Term Financial Plan.
- 8.3.3 The creation or deletion of reserves can only be undertaken by resolution of the Board.

9. Salaries and Wages

9.1 Payroll

9.1.1 Records will be maintained in respect all employees of CouncilBIZ showing:

- a) Hours worked and rate of pay
- b) Gross salary or wages
- c) Tax and details of all other payments and deductions
- d) Personal / sick, annual, long service and other leave available and taken
- e) Superannuation deductions
- f) Salary Sacrifice/Packaging

9.1.2 Salaries and wages will be paid on the basis of hours of attendance or otherwise approved by the Manager in accordance with the Enterprise Bargaining Agreement.

9.1.3 All claims for overtime must be authorised by the General Manager.

Approval, Use and Management of Overtime will be as follows:

Overtime will be in accordance with the Enterprise Bargaining Agreement and may be approved:

- a) to minimise service disruption to member Councils
- b) for unplanned events requiring priority action
- c) in emergency situations and
- d) in other exceptional circumstances

Overtime must be managed in accordance with approved budgets except in the case of a genuine emergency or other unplanned event(s) which require immediate response to prevent or address service disruption.

- 9.1.4 Hours of work will be paid in accordance with Enterprise Bargaining Agreement and employment contracts, as applicable.
- 9.1.5 All annual leave and long service leave must be applied for in TechnologyOne and authorised by their Manager prior to commencement of leave.
- 9.1.6 All personal / sick leave must be authorised by the relevant Manager as soon as practical after the period of absence.
- 9.1.7 Additional hours resulting in the accrual of time must be approved by the Manager prior to undertaking the additional hours.
- 9.1.8 The employment procedures outlined in CouncilBIZ's Human Resources Policies and Procedures must be followed before new employees are entered into CouncilBIZ's payroll.
- 9.1.9 Payroll deductions on behalf of employees will be limited to:
 - a) Taxation liabilities
 - b) Superannuation liabilities
 - c) Union fees
 - d) Health Insurance
 - e) Child Support
 - f) Registered Banking Institutions
 - g) Social Events, Clubs (e.g. Christmas Dinner, X-Lotto Club)
 - h) Corporate Wardrobe Deduction
 - i) Statutory Deduction and,
 - j) Approved Salary Sacrifice Arrangements

10. Accounting for CouncilBIZ Assets - Property, Plant, Equipment & Infrastructure

10.1 Definition of an Asset

"An asset is a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity."

Where the future economic benefits are expected to occur over a period spanning more than one financial year, the asset is recognised as a “non-current” asset in CouncilBIZ’s balance sheet.

There are three specific elements that define an asset:

- 10.1.1 Future economic benefits – in the case of public sector entities, future economic benefits (or service potential) are the goods and services to be provided by the asset, whether or not the entity receives a net cash inflow for their provision.
- 10.1.2 Control by the entity - control means the ability of the entity to benefit from the future economic benefits and/or to restrict the access of others to those benefits.
- 10.1.3 Occurrence of past event – the asset must be in existence. A contract to purchase an asset does not give rise to an asset, nor does the intent to acquire an asset. The asset must have been purchased, acquired or transferred to the control of the entity prior to the date of the financial report.

10.2 Initial Recognition

- 10.2.1 Assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by CouncilBIZ includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.
- 10.2.2 Capital works still in progress at balance date are recognised as other non-current assets (under Works In Progress) and transferred to the infrastructure, property, plant & equipment register when completed ready for use.

10.3 Subsequent Recognition and Revaluation

- 10.3.1 Certain asset classes are re-valued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

10.3.2 In line with AASB13, where an active market for sale does exist, the highest and best use valuation will be used. Individual asset assessment of an active market will be undertaken at each revaluation point.

10.3.3 Non-current assets, other than receivables and investments, are re-valued at least once in every five years. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value then the asset will be re-valued regardless of when the last valuation took place. Non-Current physical assets that are acquired between revaluations are held at cost until the next valuation, where they are re-valued to depreciated replacement cost. Desktop revaluation, using revised unit rates, are conducted annually for Infrastructure assets.

10.3.4 Revaluation increments are allocated in the following order:

- a) to recoup impairment expense in relation to the asset previously charged to profit and loss
- b) to recoup a revaluation decrement in relation to the asset previously recognised in profit and loss
- c) transferred as other comprehensive income to asset revaluation reserve

10.3.5 Revaluation decrements are allocated in the following order:

- a) Transferred as other comprehensive income from asset revaluation reserve to the extent that the decrement reverses a revaluation increment previously recognised.
- b) Recognised in profit and loss as an expense.

10.3.6 Revaluation increments of decrements are required to be offset within the same class of assets.

10.4 Materiality & Capitalisation Threshold

10.4.1 Expenditure, or other transactions, which result in the creation of future economic benefits which are controlled by CouncilBIZ are to be capitalised when:

- a) Cost of acquisition exceeds the materiality threshold of \$5,000 as established by CouncilBIZ, and;

10.4.2 Acquisition costs of assets which total less than \$5,000 will be treated as operating expenses.

- 10.4.3 Assets should have a useful life of greater than one year in order for the expenditure to be capitalised.

10.5 Depreciation and Useful Life

- 10.5.1 Depreciation is defined in AASB 116 as the systematic allocation of the depreciable amount of an asset over its useful life.
- 10.5.2 CouncilBIZ uses straight line depreciation for all its non-current assets on the basis that the economic benefits, being the service provided by the asset, are generally used in a uniform manner throughout the assets useful life.
- 10.5.3 The straight line depreciation method differs from the concept of condition based depreciation which, in the above example, does not reflect the pattern of consumption of the future economic benefits but rather measures the degradation curve of the underlying asset providing those economic benefits. The use of condition based depreciation may only be considered if the method complies with the provisions of UIG Interpretation 1030 – Depreciation of Long-Lived Physical Assets: Condition Based Depreciation and Related Methods.
- 10.5.4 In accordance with AASB 116 Property, Plant & Equipment, depreciation of an asset will begin from the time the asset is available and ready for use. This includes the assets being in its intended location and in a condition to enable the assets to be used in the manner they were intended. In the case of contributed assets, depreciation will begin from the time of handover to CouncilBIZ of those assets.
- 10.5.5 Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over the useful life in a manner which reflects the consumption of the service potential embodied in the asset.
- 10.5.6 9.5.6 Depreciation is recognised on a straight-line basis over the useful life of the asset. Useful life is the period over which an asset is expected to be available for use by CouncilBIZ . Indicative Useful Life periods for each class of asset are shown in the table below. The actual Useful Life will be determined by the General Manager.

Asset Classification	Useful Life
Buildings	20 to 80 years
Plant & Equipment	2 - 5 years
Furniture and Fittings	5 – 10 years
Other Non-Current Assets	10 – 20 years

10.5.7 The useful life of each infrastructure asset has been estimated based on the best information available to CouncilBIZ. Depreciation of infrastructure assets commences the year following initial capitalisation.

10.6 Residual Value

10.6.1 If available, CouncilBIZ will establish an appropriate residual value for an asset. AASB 116 defines residual value as being the estimated amount that an entity would currently obtain from disposal of an asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

10.6.2 Residual values will be reviewed annually and adjusted if appropriate given the most up to date information.

10.6.3 All infrastructure and property, plant & equipment will be reviewed for impairment as per AASB 136.

10.6.4 Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows expected to be derived from an asset or value in use).

10.6.5 For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if CouncilBIZ were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

10.7 Disposal

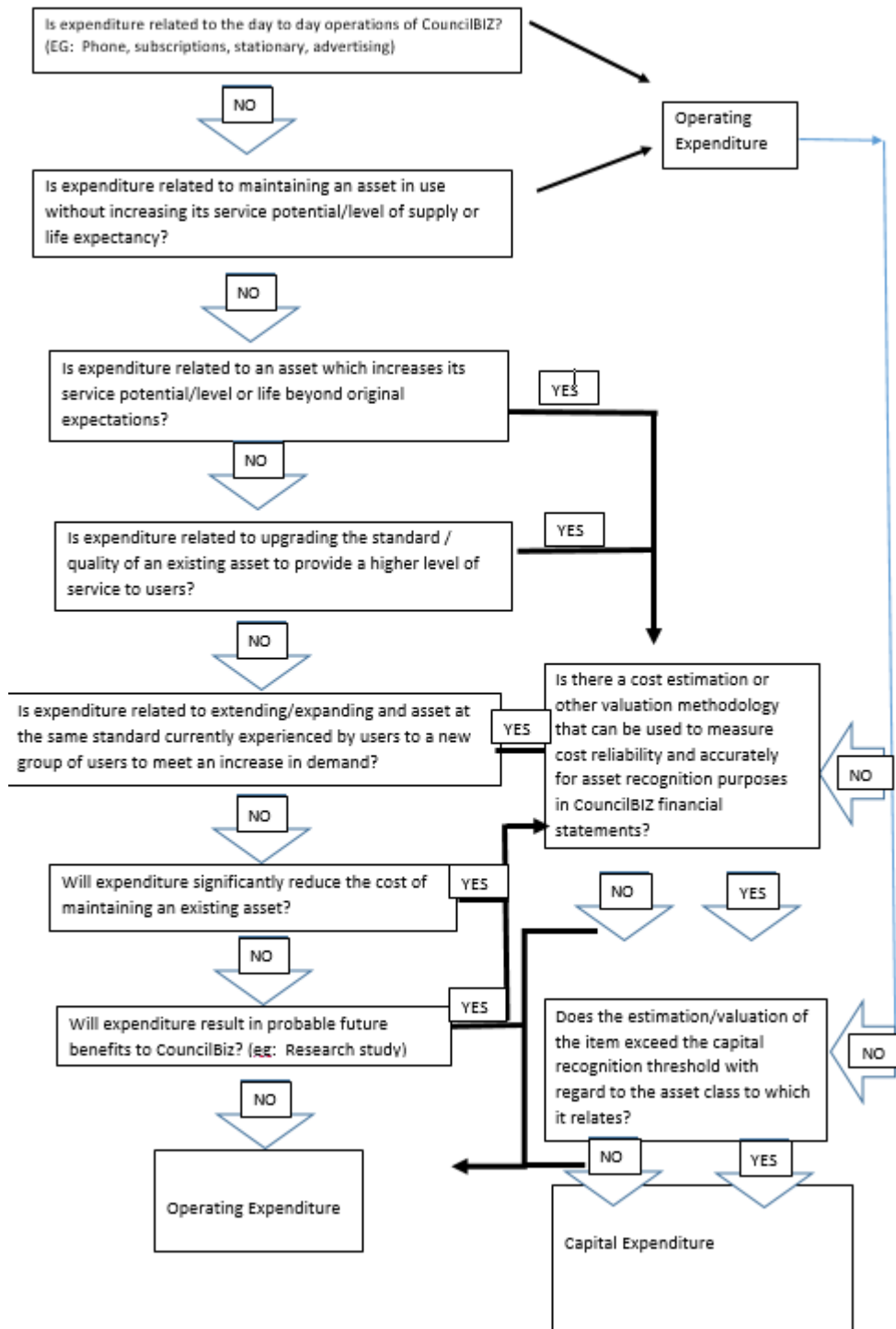
- 10.7.1 All non-current assets will be de-recognised on disposal or when no future economic benefits are expected from their use or disposal.
- 10.7.2 When an asset is sold and its selling price varies from the carrying amount in CouncilBIZ's balance sheet, a gain or loss on disposal will be recognised directly to the Income Statement in accordance with AASB 116 – Property, Plant & Equipment.
- 10.7.3 If an asset is disposed before it has been fully depreciated, the carrying amount represents a loss on disposal and will be expensed.
- 10.7.4 Where an asset disposed of has been subject to revaluation, the net increment in the asset revaluation reserve relating to the disposed asset will be transferred to Accumulated Surplus. The amount transferred must not exceed the balance of the asset revaluation.
- 10.7.5 Partial renewal/replacement of an asset is recognised by adding the renewal/replacement cost to the existing asset value. The useful life of the asset will be adjusted, if necessary, at the time of reviewing the useful lives.

Determination of classification of expenditure – Maintenance or Capital

- 10.7.6 Maintenance costs are deemed to include day to day expenditure incurred in relation to the use of an asset. Maintenance costs are operating expenses which act to retain or restore the utility of an asset.
- 10.7.7 Capital expenditure may involve the renewal, replacement or enhancement/upgrading of an existing asset, or the acquisition or construction of a new asset. Please note AASB116 provides guidance on recognition of assets.
- 10.7.8 The following table provides guidance when determining whether expenditure is either capital or material in nature.

	Maintenance	Capital
Fleet & Plant Assets	<ul style="list-style-type: none"> Expenditure <\$5,000 for individual assets or assets that cannot be easily grouped. 	<ul style="list-style-type: none"> Expenditure >=\$5,000 for individual assets, or assets that can be easily grouped.
IT & Office Equipment / Furniture	<ul style="list-style-type: none"> Expenditure <\$5,000 for individual hardware/ furniture assets or assets that cannot be easily grouped. Annual software licence and maintenance fees and all minor upgrades to core operating systems. 	<ul style="list-style-type: none"> Expenditure >=\$5,000 for individual hardware/furniture assets, or assets that can be easily grouped. Costs associated with the purchase or major upgrades of core operating systems.
Research & Design Costs	<ul style="list-style-type: none"> All costs associated with the appraisal and investigation preceding a formal CouncilBIZ decision to proceed with the project. All feasibility studies. 	<ul style="list-style-type: none"> All design costs incurred after a formal decision from CouncilBIZ to proceed with the project. Subject to the tests of AASB 136 Impairment of assets.
Design and Documentation	<ul style="list-style-type: none"> High level concept. Not asset specific, i.e. not relating to construction specifications. 	<ul style="list-style-type: none"> Asset specific, i.e. relates to construction specifications.
Feasibility Studies	<ul style="list-style-type: none"> High level concept Not asset specific, i.e. not relating to construction specifications. 	<ul style="list-style-type: none"> Asset specific, i.e. relates to construction specifications.

10.8 Classifying Operating / Capital Expenditure



Classifying New/Upgraded Assets vs Renewal/Replacement

- 10.8.1 Capital expenditure for the renewal and replacement of assets must be separately distinguished from capital expenditures for new and upgraded assets.
- 10.8.2 New assets are additional to CouncilBIZ's previous asset register.
- 10.8.3 Upgraded assets replace previously existing assets with enhanced capability or functionality, where an option existed for replacement without the enhanced capability or functionality.
- 10.8.4 Renewal or replacement of an asset occurs where a previously existing asset is replaced. The asset does not give rise to an enhancement of the service capability except where this is incidental and unavoidable.

10.9 Collective Assets

- 10.9.1 Certain assets are made up of collections of many individual items, each of which is individually below any reasonable capitalisation threshold.
- 10.9.2 If the total number of items in the collection is static, the initial collection is capitalised. When individual components are replaced, the costs of the replacement are written off an expense.
- 10.9.3 If the total number of items in the collection changes over time, additional items purchased during the year are capitalised and all items in the collection are depreciated based on the average anticipated useful life

10.10 Asset Register

- 10.11.1 An accurate record will be maintained of all assets including assets acquired for no monetary consideration.
- 10.11.2 A detailed register of all assets will be maintained by a responsible officer who will annually check fixed assets on hand compared with the fixed asset register. The register shall record individual assets in sufficient detail as to permit their identification and control. The asset register shall be used for the purpose of revaluing and depreciating assets.
- 10.11.3 A register of items which are valuable and portable will be maintained for the purpose of controlling and safeguarding items which by their nature are at risk of loss. A stock take of such items shall be conducted at least annually. Valuable portable items which are more likely to be subject to loss due to theft or misplacement shall include items such as cameras, portable TV's, videos and communication equipment.

10.11 Sale and Disposal of Assets/Write Offs

10.11.1 Sale of Other Assets

- a) The method of sale will be determined by the General Manager.

10.11.2 Principles to consider when disposing of Assets

CouncilBIZ must have regard to the following principles in its disposal of Assets:

- a) Encouragement of open and effective competition
- b) Obtaining Value for Money
- c) This is not restricted to price alone.
- d) An assessment of value for money must include consideration of (where applicable):
 - i. the contribution to CouncilBIZ's Long Term Financial Plan and strategic management plans;
 - ii. any relevant direct and indirect benefits to CouncilBIZ, both tangible and intangible;
 - iii. efficiency and effectiveness;
 - iv. the costs of various disposal methods;
 - v. internal administration costs;
 - vi. risk exposure; and
 - vii. the value of any associated environmental benefits.
- e) Ethical Behaviour and Fair Dealing
 - i. CouncilBIZ is to behave with impartiality, fairness, independence, openness and integrity in all discussions and negotiations.
- f) Probity, Accountability, Transparency and Reporting
- g) Ensuring compliance with all relevant legislation including the following:
 - i. Local Government Act and Regulations and

- ii. Constitution
- h) Considerations prior to Disposal of Assets will be made after considering (where applicable):
 - i. the usefulness of the Asset;
 - ii. the current market value of the Asset;
 - iii. the annual cost of maintenance;
 - iv. any alternative future use of the Asset;
 - v. any duplication of the Asset or the service provided by the Asset;
 - vi. any impact the disposal of the Asset may have on CouncilBIZ;
 - vii. any cultural or historical significance of the Asset;
 - viii. the positive and negative impacts the disposal of the Asset may have on the operations of the CouncilBIZ;
 - ix. the long term plans and strategic direction of the CouncilBIZ;
 - x. the remaining useful life of an Asset;
 - xi. a benefit and risk analysis of the proposed disposal;
 - xii. the results of any required consultation process;
 - xiii. any restrictions on the proposed disposal; and
 - xiv. any other relevant policies of the CouncilBIZ.

i) Disposal methods

1. Assets disposal

- a) The sale of Assets (both Major Plant and Equipment and Minor Plant and Equipment) will be the responsibility of the relevant CouncilBIZ Manager who is responsible for those Assets.
- b) CouncilBIZ will, where appropriate, dispose of Assets through one of the following methods, as directed by the General Manager :

- i. trade-in – trading in equipment to suppliers;
 - ii. Expressions of Interest - seeking Expressions of Interest from buyers;
 - iii. open tender – openly seeking bids through tenders;
 - iv. public auction – procuring the services of an auctioneer.
- c) Selection of a suitable method will include consideration of (where appropriate):
- v. the public demand and interest in the Asset;
 - vi. the method most likely to return the highest revenue;
 - vii. the value of the Asset and whether it is Major Plant and Equipment or Minor Plant and Equipment;
 - viii. the costs of the disposal method compared to the expected returns; and
 - ix. compliance with statutory and other obligations.
- d) Board Members and employees of the CouncilBIZ will not be permitted to purchase Assets unless the purchase is via a public auction, and the bid made is the highest when a reserve value does not apply.
- e) Purchasers of Assets must be required to agree in writing that before purchasing any Asset that no warranty is given by the CouncilBIZ in respect of the suitability and condition of the Asset for the purchaser and that the CouncilBIZ will not be responsible for the Asset in any respect following the sale.

10.11.3 The write off of assets must occur in accordance with Rule 24.1 of the CouncilBIZ Constitution.

11. Insurance

11.1 Insurance

- 11.1.1 Identified insurable risks will be covered with a policy of insurance issued by the broker of the joint consortium insurance tender. The cover will be equivalent of full replacement cost.
- 11.1.2 The extent of cover, both risk and sum insured, shall be reviewed at least annually.
- 11.1.3 Cover will, as deemed appropriate, include all or some of the following:

- a) Industrial Special Risks
- b) Consequential loss
- c) Public Liability
- d) Directors and Officers Liability
- e) Professional Indemnity
- f) Motor Vehicle
- g) Fidelity Guarantee
- h) Cash in transit/on premises
- i) Cyber Crime
- j) IT Equipment
- k) Workers Compensation
- l) Personal Accident
- m) Travel
- n) Contract Works

12. Electronic Accounting

12.1 TechnologyOne Corporate Database

- 12.1.1 CouncilBIZ uses TechnologyOne accounting and payroll software running on a SQL platform.

12.2 Security

- 12.2.1 Security of the general and subsidiary ledgers is implemented at both the hardware and software levels. Initial access to the system is restricted by individual user ID code and password validation. Access to the database is restricted by system access routines.
- 12.2.2 Access to application programs in the financial and payroll systems is restricted by relevant module securities per employee and database access security.

- 12.2.3 The relevant securities for specific modules are set for employees working in the specific accounting areas of creditors, debtors, payroll, general ledger, receipting and rate accounting. Employees in the above areas have full access to the respective module's programs and can perform enquiry, reporting, data entry, processing and maintenance of financial records.
- 12.2.4 Employees outside these specific financial and rating areas are restricted to enquiry and reporting access only.

12.3 System Integrity

- 12.3.1 System integrity is maintained through the use of audit logs which track all changes to data in specific modules. In addition a comprehensive system of data backups and system redundancy mean that recovery from either a system failure or potential disaster situation can always be performed.

12.4 System Backup

- 12.4.1 System backup's will be undertaken in accordance with the CouncilBIZ Data Backup Policy (ELTPOL 11).

13. Financial Records

13.1 Fraud and Corruption Protection Plan

The following is the CouncilBIZ Fraud and Corruption Protection Plan established pursuant to Regulation 6(2)(c)(i) of the Local Government (General) Regulations 2020.

- 13.1.1 CouncilBIZ is committed to protecting its revenue, expenditure and property from any attempt, to gain by deceit or corruption, financial or other benefits, by either members of the public, vendors, contractors, Board Members or its own employees.
- 13.1.2 Definitions:

Corruption – can be identified as dishonest activity perpetrated by an individual/group contrary to the interests of the organisation and abuses his/her position of trust in order to achieve some personal gain or advantage.

Fraud – can be defined as the use of deception or misrepresentation to obtain an unjust advantage or to cause a disadvantage or loss, including benefitting another, and includes theft or misappropriation of assets of finances to the detriment of others.

Fraud can also involve the misuse of confidential information, abuse of discretions, facilities or employment conditions, redirection of goods and services for personal use and inappropriate arrangements with contractor and/or other third parties.

Offences of fraud and corruption may be prosecuted under a number of different laws.

Examples of fraud, for the purpose of this Policy, include but are not limited to:

- Theft and/or misappropriation of CouncilBIZ revenue in the form of cash, cheques, money order, electronic funds transfer or other negotiable instrument;
- Inappropriate use of CouncilBIZ revenue (for example: using funds that were not appropriately funded for within the budget and then used for a social purpose);
- Theft of equipment, parts, software, and office supplies from any CouncilBIZ premises;
- Deliberate over-ordering of materials or services to allow a proportion to be used for personal purposes;
- Submission of sham taxation arrangements for an employee or contractor to circumvent CouncilBIZ's procedures for engagement of employees and/or contractors;
- Submission of fraudulent applications for reimbursement;
- Payment of fictitious employees, suppliers and/or contractors;
- Falsification of time sheets;
- Damage, destruction or falsification of documents for the purpose of material gain; and
- Misrepresentation of qualifications in order to secure a position of employment.

13.1.3 CouncilBIZ is committed to ensuring that its culture will continue to be one of honesty and will not tolerate fraud and corruption. There is an expectation and requirement that all individuals and organisations associated in whatever way with CouncilBIZ will act with integrity and that CouncilBIZ staff and members, at all levels, will lead by example in these matters.

CouncilBIZ is committed to protecting its revenue, expenditure and assets from any attempt by members of the public, contractors, agents, intermediaries, volunteers, Board Members or its own employees, to gain financial or other benefits by deceit, bias or dishonest conduct.

CouncilBIZ's commitment to fraud and corruption control will be managed by ensuring that fraudulent or corrupt activity is prevented, conflicts of interest are avoided, and auditing systems are in place to deter and/or identify corrupt activities.

13.1.4 Responsibility for fraud and corruption prevention rests with all levels of management, Board Members, employees, members of the public, contractors, agents, intermediaries

and volunteers who represent CouncilBIZ and who collectively must accept ownership of the controls relative to this Policy. The following specific responsibilities apply within CouncilBIZ:

General Manager – has the principal responsibility for fraud and corruption control to ensure compliance with the Local Government Act, Regulations and the Constitution and that appropriate governance structures are in place and effective, including:

- Where necessary, reporting matters to the Independent Commission Against Corruption (ICAC), Northern Territory Police, Ombudsman or other external agency as necessary;
- Managing reports made to ICAC, the Northern Territory Police, Ombudsman or other external agency;

Senior Financial Consultant – is responsible for the day to day management of this Fraud and Corruption Prevention Plan. These responsibilities include:

- Collating information on detected fraud and corruption incidents;
- Recording the response to detected fraud and corruption incidents;
- Managing the investigation of, and resources required for the investigation of, detected incidents;
- Ensuring risk assessment tools on fraud and corruption are available for relevant staff;
- Liaising with the General Manager on suspected detected fraud and corruption matters that require investigation, and
- Scheduling regular internal assessments.

Managers and/or Supervisors – have a responsibility to:

- Identify risk exposure to corrupt and fraudulent activities within their Department;
- Establish and monitor controls and procedures for prevention and detection of such activities;
- Ensure that staff under their direction are aware of and understand this Policy;
- Provide guidance and instruction to all staff under their direction in order to make them aware of their responsibilities and fraud and corruption reporting requirements;
- Maintain effective auditing and reporting mechanisms;
- Undertake regular internal assessments.
- Identify positions where staff may be more exposed to the risk of fraud.
- Implement action plans for this positions where staff may be more exposed to risk of fraud in order to eliminate or reduce the risk.
- Ensure that losses due to fraud are allocated against the cost centre in which the loss occurred;

- Ensure that in each instance where fraud is detected, the responsible Manager/Supervisor will reassess the adequacy of the internal control environment and consider what improvements, if any, are required.
- Ensure that all members of the public, contractors, agents, intermediaries, volunteers and employees are aware of the relevant elements of this manual including CouncilBIZ's Fraud and Corruption Prevention Plan.

Employees/Members of the Public / Contractors / Agents / Intermediaries / Volunteers – have the following responsibilities:

- Be aware of the content and provisions of this Policy;
- Assist in the identification of risk exposures to corrupt or fraudulent activities; and
- Report concerns regarding suspected fraudulent and/or corrupt conduct at the earliest opportunity.

Board Members – should be aware of and where applicable, comply with this Policy.

13.1.5 Controls in place for the prevention, detection management and reporting of fraud and corruption include but are not limited to:

- Code of Conduct
- External Audit of the annual Financial Statements
- Strategic Risk Review and Risk Management Policy
- Oversight by the Audit and Risk management Committee
- CouncilBiz policies and procedures, including IT Control Policies,
- Internal Audit
- Screening of new employees
- an effective internal control framework which includes;
 - Personnel in 'at risk' positions supported to ensure that improper relationships are less likely to develop;
 - High risk providers are subjected to audits at the discretion of the General manager or Board;
 - Separation of orders;
 - Separation of authorisation and other controls;
 - Maintenance of detailed records; and
 - Monitoring of various discrete behaviours which may indicate impropriety.

13.1.6 CouncilBIZ require that staff, when dealing with Council's affairs, act honestly in accordance with best practice.

This Manual set out the arrangement of CouncilBIZ's financial and accounting related matters.

CouncilBIZ has developed and is committed to continuing with systems and procedures which incorporate efficient and effective internal controls and which include adequate separation of duties. These systems and procedures may be independently monitored by CouncilBIZ's external auditors.

- 13.1.7 CouncilBIZ is aware of the difficulties and conflicts that may arise for staff and Board Members who suspect a colleague of fraud or corruption. A Whistle Blower policy (under development) provides clear guidance on how protected disclosures may be made. It is, nevertheless, essential that all instances are reported without delay. The General Manager is responsible for receiving and managing reports of suspected fraud or corruption. If the suspected fraud or corruption involves the General Manager, the matter should be reported to the CouncilBIZ Chair or directly to the relevant body. All allegations or suspicions of fraud and corruption will be investigated and all substantiated cases will be dealt with appropriately either by criminal, disciplinary or administrative mechanisms as appropriate to the particular case. Wherever possible all instances reported will be treated in the strictest confidence. The intention is that any person reporting such a matter will in as far as it is possible, have their identity kept confidential. However, it is impossible to guarantee anonymity, especially where disciplinary action or prosecution arises. It should be noted that no one will be penalised for making an allegation that is subsequently provided to be groundless, where the allegation has been made in good faith. CouncilBIZ will not tolerate individual making malicious, vexatious or unfounded allegations and disciplinary action may be taken against such persons.
- 13.1.8 Screening of new employees is an effective fraud and corruption prevention mechanism. CouncilBIZ's Human Resources Policy (under development) includes the screening of prospective employees and can include Criminal History Checks as well as reference checks to confirm the veracity of the applicant's integrity, identity and credentials.

13.2 Long Term Financial Plan

- 13.2.1 The Long Term Financial Plan has been developed as part of CouncilBIZ's strategic planning processes. The plan provides a long term financial projection for a period of no less than 10 years and will be reviewed at least annually in conjunction with the development of the Annual Plan.
- 13.2.2 The Long Term Financial Plan will align with CouncilBIZ's strategic plan and underpins the development of the annual budget.
- 13.2.3 Assumptions used in developing the plan will be reviewed annually and updated in conjunction with CouncilBIZ's annual budget development process.
- 13.2.4 The assumptions used in developing the plan should address at a minimum CouncilBIZ's position on debt levels, the management of CouncilBIZ's infrastructure assets, and specific operational expenditure strategies.

- 13.2.5 The Long Term Financial Plan should include:
- a) Estimated Statement of Comprehensive Income
 - b) Estimated Balance Sheet
 - c) Estimated Cash Flow Statement
 - d) Estimated Statement of Changes in Equity
 - e) Key Financial Indicators
 - f) Capital Project & Operating Project Expenditure Programme

13.3 Statutory Financial Reporting

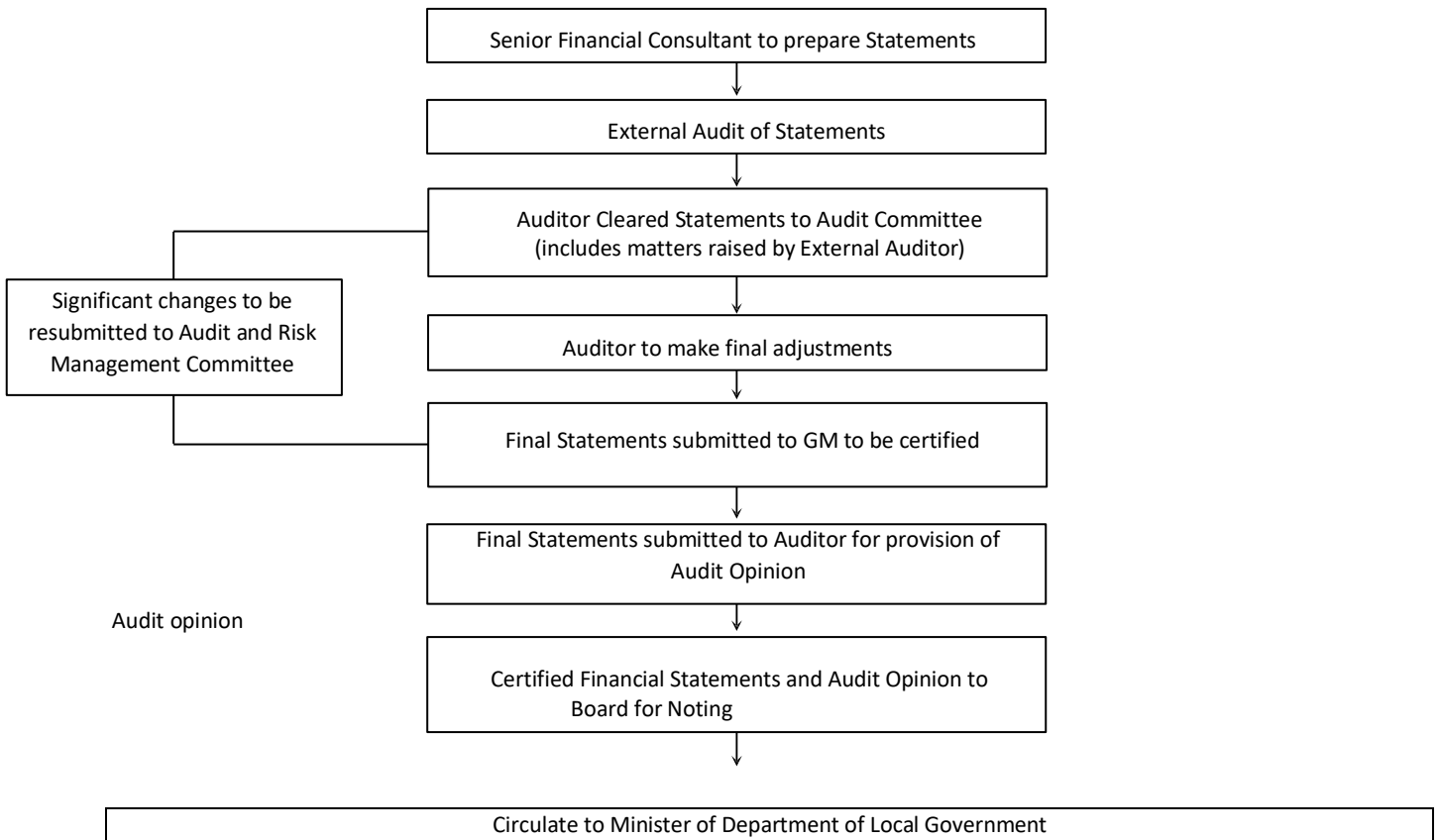
- 13.3.1 Annual financial statements will be prepared in accordance with applicable Australian Accounting Standards, other applicable accounting standards and the Local Government Act, Regulations and the CouncilBIZ Constitution.
- 13.3.2 Audited financial statements will be presented to CouncilBIZ for adoption no later than 31 October of each year.
- 13.3.3 Audited financial statements will be submitted to the relevant Minister by no later than 31 October each year.

13.4 Procedures for the Certification of the Annual Financial Statements

- 13.4.1 The Senior Financial Consultant will prepare draft financial statements.
- 13.4.2 The Audit and Risk Management Committee will review the draft statements to ensure that they present fairly, the affairs of CouncilBIZ. This review will be conducted independent of the external audit. However, it is anticipated that the Audit and Risk Management Committee will have the benefit of any information available (informal or otherwise) on particular matters raised by the auditor up until the time of the review. Any suggested changes will be provided to the Senior Financial Consultant.
- 13.4.3 Following the external audit, the Senior Financial Consultant and auditor will propose any necessary amendments to the draft financial statements, which will be referred to the General Manager for consideration.
- 13.4.4 The General Manager will review the proposed amendments to the draft statements and will either refer them to the Audit and Risk Management Committee for further consideration or may, if satisfied that the proposed amendments are appropriate,

complete and date the certificate. The certificate of the final statements will be signed by the General Manager.

- 13.4.5 The date of the certificate will be the date of authorisation for issue of the annual financial statements for the purpose of AASB 110.
- 13.4.6 As soon as practicable thereafter, the annual financial statements (including the accompanying auditor's report and other certificates) will be presented to Members at a meeting before 31 October each year. After consideration by the Board the statements will be provided to the relevant Minister and the Department of Local Government.
- 13.4.7 The procedures regarding certification of the Annual Financial Statements can be summarised as follows:



14. Treasury Management Policy

14.1 Purpose

- 14.1.1 This Treasury Management Policy provides procedures to ensure sufficient cash flow to fund CouncilBIZ's recurrent, project and capital expenditure.

14.2 Policy Objectives

- 14.2.1 The Policy establishes a decision framework to ensure that:
- a) funds are available as required to support approved outlays;
 - b) interest rate and other risks (e.g. liquidity and investment credit risks) are acknowledged and responsibly managed;
 - c) net interest costs associated with borrowing and investing are reasonably likely to be minimised on average over the longer term

14.3 Policy Statement

14.3.1 Treasury Management

CouncilBIZ's operating and capital expenditure decisions will be made on the basis of:

- (1) identified Members needs and benefit relative to other expenditure options
- (2) cost-effectiveness of the proposed means of service delivery; and affordability of proposals having regard to CouncilBIZ's long-term financial sustainability (including consideration of the cost of capital and the impact of the proposal on CouncilBIZ's Net Financial Liabilities and Interest Cover ratios)

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

- (1) maintain target ranges for Net Financial Liabilities and Interest Cover ratios
- (2) not retain and quarantine money for particular future purposes unless required by legislation or agreement with other parties
- (3) borrow funds in accordance with the requirements of the Long Term Financial Plan, Local Government Act and Regulations and the CouncilBIZ Constitution.

- (4) apply any funds that are not immediately required to meet approved expenditure (including funds that are required to be expended for specific purposes but 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

14.3.2 Interest Rate Risk Exposures

Fixed Interest Rate Borrowings

In order to spread exposure to interest rate movements, CouncilBIZ will aim to have a variety of maturity dates on fixed interest rate borrowings over the available maturity spectrum. In circumstances where CouncilBIZ needs to raise new fixed interest rate borrowings it will consider using medium to long-term borrowings (3 years or more duration) that:

- (1) have a fixed interest rate, and
- (2) Require interest and principal payments

14.3.3 Investments

CouncilBIZ funds that are not immediately required for operational needs and cannot be applied to either reduce existing borrowings or avoid the raising of new borrowings will be invested.

Investment of CouncilBIZ funds will be with recognised banks, unless determined otherwise by CouncilBIZ Board resolution

The balance of funds held in any operating bank account that does not provide investment returns 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.

CouncilBIZ funds available for investment will be lodged 'at call' or, having regard to differences in interest rates for fixed term investments of varying maturity dates, may be invested for a fixed term.

In the case of fixed term investments the term should not exceed a point in time where the funds otherwise could be applied to cost-effectively either defer the need to raise a new borrowing or reduce the level of CouncilBIZ's variable interest rate borrowing facility.

When investing funds, CouncilBIZ will select the investment type which delivers the best value, having regard to investment returns, transaction costs and other relevant and objectively quantifiable factors.

14.3.4 Reporting

At least once a year the CouncilBIZ Board shall receive a specific report regarding treasury management performance relative to this policy document. The report shall highlight:

- (1) CouncilBIZ borrowing and investment - the quantum of funds, the interest rates and maturity dates, and changes in the quantum since the previous report, and
- (2) the proportion of fixed interest rate and variable interest rate borrowings at the end date of the reporting period and an estimate of the average of these proportions across this period

15. Review

- 15.1.1 This Manual will be reviewed in line with CouncilBIZ's Policy Framework or earlier in the event of major changes to legislation or related policies/procedures or if deemed necessary by the General Manager or Board.

16. Access to the Manual

- 16.1.1 The Policy is available to Members and CouncilBIZ staff.

17. Further Information

- 17.1.1 For further information about the Accounting Policies and Procedures Manual please contact the CouncilBIZ General Manager.