



Risk Management and Audit Committee (RMAC) **BUSINESS PAPER** **THURSDAY 29/05/2025**

Meeting to be held commencing 9:30am
In the Council Chambers at 7 Bees Creek Road, Freds Pass

Stephen Hoyne, Chief Executive Officer

Any member of Council who may have a conflict of interest, or a possible conflict of interest in regard to any item of business to be discussed at a Council meeting or a Committee meeting should declare that conflict of interest to enable Council to manage the conflict and resolve it in accordance with its obligations under the Local Government Act and its policies regarding the same.



RMAC AGENDA

LITCHFIELD COUNCIL RMAC MEETING

Notice of Meeting
to be held in the Council Chambers, Litchfield
on Thursday, 29 May 2025 at 9:30am

Stephen Hoyne
Chief Executive Officer

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1. Opening of meeting

2. Apologies and Leaves of Absence

3. Disclosure of Interests

Any member of the RMAC who may have a conflict of interest, or a possible conflict of interest regarding any item of business to be discussed at the RMAC meeting should declare that conflict of interest to enable Council to manage the conflict and resolve it in accordance with its obligations under the Local Government Act and its policies regarding the same.

4. Confirmation of Minutes

THAT the full minutes of the open portion of the Risk Management Audit Committee Meeting held Thursday 27 February 2025, 5 pages, be confirmed.



RISK MANAGEMENT AND AUDIT COMMITTEE

MINUTES

LITCHFIELD COUNCIL COMMITTEE MEETING

Minutes of Meeting

held in the Council Chambers, Litchfield
on Thursday 27 February 2025 at 9.30am

Present	Greg Arnott Shane Smith Deputy Mayor Mark Sidey Cr Kevin Harlan	Chairperson Independent Member Committee Member Committee Member
Staff	Stephen Hoyne Maxie Smith Rodney Jessup Rebecca Taylor Caitlyn Moulds	Chief Executive Officer Director Corporate and Community Director Infrastructure and Operations Program Leader Policy and Governance Executive Support
Presenters	Nil	

1. OPENING OF THE MEETING

The Chairperson, Greg Arnott opened the Meeting at 9:32am.

2. APOLOGIES AND LEAVE OF ABSENCE

Moved: Chairperson Greg Arnott
Seconded: Independent Member Shane Smith

THAT the Risk Management and Audit Committee accept apologies from Mayor Doug Barden and Cr Rachel Wright.

CARRIED (4-0)

3. DISCLOSURES OF INTEREST

Nil

4. CONFIRMATION OF MINUTES

Moved: Independent Member Shane Smith
Seconded: Chairperson Greg Arnott

THAT the Risk Management and Audit Committee confirm the full minutes, 5 pages, of the open portion of the Risk Management and Audit Committee Meeting held Thursday 24 October 2024.

CARRIED (4-0)

5. BUSINESS ARISING FROM THE MINUTES

Moved: Deputy Mayor Sidey
Seconded: Cr Harlan

THAT the Risk Management and Audit Committee receives and notes the Action Sheet.

Item 9. Other business Noting the increase for waste management and that the Risk Management and Audit Committee brings the expired Waste Management Strategy to the attention of Council.

CARRIED (4-0)

6. PRESENTATIONS

Nil

7. ACCEPTING OR DECLINING LATE ITEMS

Nil.

8. OFFICERS REPORTS

8.01 Meeting Schedule and Workplan

Moved: Deputy Mayor Sidey
Seconded: Cr Harlan

THAT RMAC endorse the meeting schedule and workplan for 2025, noting the change of meeting date for the August meeting from the 28th to the 14th of August 2025.

CARRIED (4-0)

8.02 Internal Audit Plan

Moved: Independent Member Shane Smith
Seconded: Cr Harlan

THAT RMAC receive and note the progress on the internal audits.

CARRIED (4-0)

9. OTHER BUSINESS

Nil

10. CONFIDENTIAL ITEMS

Moved: Independent Member Shane Smith
Seconded: Deputy Mayor Harlan

THAT Pursuant to Section 93 of the *NT Local Government Act 2019* and Regulation 51 of *Local Government (General) Regulations* the meeting be closed to the public to consider the following Confidential Items:

10.1 Confirmation of Confidential Minutes

(d) information subject to an obligation of confidentiality at law, or in equity.

10.2 KPMG Audit Plan

- (e) subject to subregulation (3) – information provided to the council on condition that it be kept confidential and would, if publicly disclosed, be likely to be contrary to the public interest.

10.3 Risk Register Update

- (c) information that would, if publicly disclosed, be likely to: (iii) prejudice the security of the council, its members or staff.

CARRIED (4-0)

The meeting was closed to the public at 9:41am.

Moved: Independent Member Shane Smith
Seconded: Chairperson Greg Arnott

THAT Pursuant to Section 93(2) of the *NT Local Government Act 2019* and Regulation 51(1) of *Local Government (General) Regulations* the meeting be re-opened to the public.

CARRIED (4-0)

The meeting returned to open session at 10:43am.

Items moved from Confidential:

10.01 Confirmation of Confidential Minutes

Moved: Independent Member Shane Smith
Seconded: Chairperson Greg Arnott

THAT the Risk Management and Audit Committee:

1. confirm the confidential minutes, 2 pages, of the Risk Management and Audit Committee Meeting held Thursday 24 October 2024; and
2. make public its resolution on this matter.

CARRIED (4-0)

10.03 Risk Management Framework Audit – Update and Management Responses

Moved: Independent Member Shane Smith
Seconded: Chairperson Greg Arnott

THAT RMAC:

1. receive and note progress updates to the Risk Management Framework Audit recommendations, at Attachment A;
2. approve the new format for the risk register and risk management dashboard, at Attachment B;
3. note that an update on the Risk Management Framework Audit will be presented to RMAC at its next meeting in May 2025; and
4. make public its resolution on this matter.

CARRIED (4-0)

11. CLOSE OF MEETING

The Chair closed the meeting at 10:39am.

MINUTES TO BE CONFIRMED

Thursday 29 May 2025

.....
Chairperson
Greg Arnott

5. Business Arising from the minutes

THAT Council receives and notes the Action Sheet.

Meeting Date	Agenda Item & Resolution	Action Officer	Status
31/05/2023	8.03 Risk Register encourages the finalisation of the draft Roads Maintenance Inspection Program in response to RP15, Inadequate Asset Sustainability Practices, requirement.	CEO	Remains outstanding.
29/08/2024	10.02 Risk Management Framework Audit – Update and Management Responses THAT the Risk Management and Audit Committee: 1. receive and note management responses to the Risk Management Framework Audit recommendations, at Attachment A; 2. note that an update on the Risk Management Framework Audit will be presented to RMAC at its next meeting in October; 3. note that additional external resources may be required, and that if additional resources cannot be procured that timelines will be extended; and 4. make public its resolution on this matter.		Status update provided at Item 8.01

6. Presentations

7. Accepting or Declining Late Items

8. Officer Reports



RMAC REPORT

Agenda Item Number:	8.01
Report Title:	Internal Audit Plan
Author:	Rebecca Taylor, Policy and Governance Program Leader
Recommending Officer:	Maxie Smith, Director Corporate and Community
Meeting Date:	29/05/2025
Attachments:	A: Internal Audit Plan

Executive Summary

The purpose of this report is to provide an update to RMAC on the progress of the internal audits.

Recommendation

THAT RMAC receive and note the progress on the internal audits.

Background

In accordance with Council's Risk Management Governance Framework, internal and external audits are part of Council lines of defence for the management of risk. It provides independent assurance to the Council, Risk Management and Audit Committee and Management on the effectiveness of business operations.

Internal Audit: Appointed by the CEO to report on the adequacy and effectiveness of internal control processes and procedures. The scope of which would be determined by the CEO with input from the Risk Management and Audit Committee.

External Audit: Appointed by the Council on the recommendation of the Risk Management and Audit Committee to report independently to the Mayor and CEO on the annual financial statements.

In accordance with the internal audit plan, at Attachment A, there are two internal audits overdue from the 2021-22 financial period and two audits from the 2023-24 financial period. Below is an update on each audit.

Council's Reserve Management Arrangements

Council has requested Council staff to engage a consultant or auditor to determine the cost of maintaining Council's eight recreation reserves. The consultant is progressing works with a draft for the first reserve having been presented to Council. A program for the remaining assessments is continuing. The internal audit of Council's reserve management arrangements has been delayed whilst this work is undertaken. Furthermore, a review of all leases, licences and user agreements is currently being undertaken.

Council's Road Inspection Regime

A consultant has been engaged to develop a road inspection regime for Council, and works are progressing. An audit cannot be carried out until the regime has been finalised and implemented. The audit will remain on the internal audit schedule until complete.

Cyber Security

Litchfield Council conducts regular assessments of our security posture leveraging the MyCISO platform and the Australian Cyber Security Centre (ACSC) Essential 8 framework. In these reviews the maturity of 33 controls are reviewed from a catalogue of over 1,000. It's impractical to implement or even review 1,000 controls, but this simply highlights that this review is not exhaustive and security maturity ratings will differ from one framework to another.

The ACSC Essential Eight is designed to protect Microsoft Windows-based internet-connected networks as we run at Litchfield.

Risk Register Audit

At RMAC's February 2025 meeting, an update on the Risk Register was presented to the committee. Since February, no further work has progressed as staff have been focused on other critical projects.

Work has yet to begin for the audits scheduled for the 2024-25 period.

Links with Strategic Plan

Performance - An Effective and Efficient Organisation

Legislative and Policy Implications

This item is consistent with FIN08 Risk Management and FIN09 Risk Management and Audit Committee.

Risks

Nil identified.

Financial Implications

Budget allowances are made for internal audits.

Community Engagement

Not applicable.

ATTACHMENT A

Internal Audit	Status	FY	Description	Risk Profile	Risk Rating	Control Rating
Audit and review of Council's reserve management arrangements	Underway	21/22	Council has been managing Howard Park and Knuckeys reserves since 2015 with five other reserves managed by local associations. This review will examine the reserve management arrangements and make recommendations as to the risks to Council.	RP10 - Ineffective Management of Public Facilities / Venues / Events	Moderate	Inadequate
Audit of compliance with Roads Inspection Regime	Underway	21/22	Council has a regime of roads inspection determining intervals, level of inspection and documentation required. The audit will identify if the regime is adhered to and is appropriately mitigating risk for Council.	RP15 - Inadequate Asset Sustainability Practices	Moderate	Inadequate
Audit of the implementation of the 2019 work health and safety management framework	Completed	22/23	Litchfield Council initiated a Council wide WHS review in 2019 in order to address a Risk Control Action which identified the requirement to undertake a review on the existing health and safety management systems used by Council and to identify and implement new systems as required. This audit will assess the level of implementation and effectiveness of the WHS framework developed as result of the 2019 review	RP8 - Inadequate Safety and Security Practices	High	Inadequate
Audit of Councils Human Resource policies for legislative compliance	Not required – Compliance Review was undertaken by NTG	22/23	An updated Local Government Act will be enacted in July 2021. A component of this Act requires Councils to adopt a series of HR principles in the form of a policy. This Audit will conduct a desktop review of Councils HR policies to assess if the policies are fit for purpose and compliant with relevant legislation. The outcome of this audit will inform the risk rating for the risk profile RP16	RP16 - Ineffective HR Management / Employment Practices	Moderate	Adequate
Audit of the Payroll system in comparison to the current Enterprise Agreement	Completed	22/23	Following internal inconsistencies in the payroll area, an audit is required to identify where payroll is incorrect when compared to the current Enterprise Agreement and calculate the correct payments that should be made for employees.	RP16 - Ineffective HR Management / Employment Practices	Moderate	Adequate

Cyber Security	Completed	23/24	Actioned two items identified in ACSC Essential 8 Maturity testing and now performing audit every six months	RP5 – External Theft and Fraud (inc Cyber Crime)	Moderate	Adequate
Risk Register	Underway	23/24	Audit Council's risk register for appropriateness		N/A	N/A
Asset Management	Not progressed	24/25	Audit of how Council does Asset Management to identify the gaps and risks associated.	RP15 - Inadequate Asset Sustainability Practices	Moderate	Inadequate



RMAC REPORT

Agenda Item Number:	8.02
Report Title:	Purchasing Card Policy
Author:	Rebecca Taylor, Policy and Governance Program Leader
Recommending Officer:	Maxie Smith, Director Corporate and Community
Meeting Date:	29/05/2025
Attachments:	A: Draft FIN12 Purchasing Card – Council Staff B: Draft FIN15 Purchasing Card – Elected Members and Chief Executive Officer

Executive Summary

This reports to the Risk Management and Audit Committee (RMAC) Council's policies in relation to purchasing cards.

Recommendation

THAT RMAC;

1. endorse Draft FIN12 Purchasing Card – Council Staff, as at Attachment A, for approval by the Chief Executive Officer; and
2. endorse Draft FIN15 Purchasing Card – Elected Members and Chief Executive Officer, as at Attachment B, for presentation to Council at its next Ordinary Council Meeting.

Background

As per FIN09 Risk Management & Audit Committee policy, RMAC shall review and challenge where necessary the consistency of, and/or any changes to accounting policies.

The purchasing card policies, as at Attachment A and B, provide guidance on how Council purchasing cards are to be allocated, used and administered. Both policies were due for review in March 2025.

Both policies have now been reviewed with minor changes made to formatting, position titles and references to policies and legislation.

Links with Strategic Plan

Performance - An Effective and Efficient Organisation

Legislative and Policy Implications

Policies are in accordance with relevant legislation and policy.

Risks

Financial Risk

Having strong purchasing card policies minimise the risk of financial loss through fraud by establishing clear rules, procedures and accountability.

Financial Implications

Not applicable.

Community Engagement

Not applicable.



Name	FIN12 Purchasing Cards – Council Staff
Policy Type	Administrative
Responsible Officer	General Manager Business Excellence Director Corporate and Community
Approval Date	17/03/2021 29/05/2025
Review Date	17/03/2025 28/05/2029

1. Purpose

The purpose of this policy is to provide guidance on how Council purchasing cards are to be allocated, used, and administered. This policy is designed to control the use of corporate purchasing cards issued under the name of Litchfield Council to Council staff. Procedures outlined in this policy ensure sound governance of expenditure incurred on behalf of Council.

2. Scope

This policy applies to all employees who are issued with a purchasing card.

3. Definitions

For the purposes of this Policy, the following definitions apply:

Purchasing Cards	Corporate purchasing cards issued in the name of Litchfield Council.
Cardholder	Litchfield Council employee that is holder of a corporate purchasing card.

4. Policy Statement

4.1. Issuing of Purchasing Cards

- 4.1.1. Purchasing Cards are only issued to officers that hold the positions with the required authority given to them by the Chief Executive Officer (CEO). Those positions are outlined in the ~~Financial Delegation policy~~ Delegation Manual.
- 4.1.2. To be issued a Purchasing Card staff will be provided with a Purchasing Card request form from Finance. The form is provided by Litchfield Council's banking service provider. Staff will be required to prove their identity with the bank issuing the Purchasing Card.
- 4.1.3. Council officers issued with Purchasing Cards are in a position of trust with regard to the use of public funds. Improper use of that trust may render the cardholder liable to disciplinary action, legal action or criminal prosecution. All cardholders are to acknowledge receipt of ~~the Purchasing Card Policy in form of a signed agreement, this policy.~~

4.2. Credit Limit

4.2.1. The monthly maximum credit limit for Purchasing Cards is set in the financial delegation's policy. The ~~Chief Executive Officer~~CEO may exercise their authority to determine, within this limit, to vary the credit limits for individual card holders.

4.2.2. In the case of an emergency situation, in line with the Council's disaster recovery plan, the ~~Chief Executive Officer~~CEO shall have the authority to raise credit limits for a short period of time above the maximum limit set in the ~~financial delegation's policy~~Delegation Manual. Any such instances need to be reported to Council as soon as practical.

4.2.3. The purchasing card is to have no cash advance facilities.

4.2.4. The purchasing card is not to be linked to any form of award points.

4.3. Cancellation of Purchasing Cards

4.3.1. Each issued Purchasing Card remains the sole property of Litchfield Council. The ~~Chief Executive Officer~~CEO may revoke the use of any Purchasing Card at any given time.

4.3.2. Cancellation of a Purchasing Card is necessary where the:

- Cardholder changes job function which results in changes to delegated authority.
- Employment with Council ceases.
- Cardholder has not adhered to set procedures and policies.
- Misuse of Purchasing Card
- Cardholder breaching any terms of this policy.

4.4. Use of Purchasing Card

4.4.1. Purchasing Cards must only be used for the carrying out of Council authorised business and for the meeting of Council liabilities where it is deemed to be inefficient to adhere to the electronic purchase order system.

4.4.2. No private expenditure shall be incurred, even if private funds are transferred or repaid immediately, to offset the expenditure.

4.4.3. All purchases on the Purchasing Card require appropriate authorisation in line with ~~FIN03-relevant~~ Procurement Policy and the Delegation Manual.~~Financial Delegations policy.~~

4.4.4. Where inappropriate expenditure occurs, the value of the expenditure shall be recovered from the cardholder. Should there be an accidental purchase, the ~~Manager Corporate Services~~Finance Program Leader is to be notified and the Council reimbursed immediately via an accounts receivable invoice and recorded on the reconciliation.

4.4.5. Penalties for misuse will apply as per FIN10 Fraud Protection Plan.

4.5. Cardholder Responsibilities

4.5.1. The cardholder has to ensure that the Purchasing Card is maintained in a secure manner and guarded against improper use.

4.5.2. All supporting documentation regarding a Purchasing Card transaction is to be retained by the cardholder and produced as part of the reconciliation procedure.

- 4.5.3. Reconciliation is to be completed within seven days of the date of the Purchasing Card statement being issued to the cardholder.
- 4.5.4. The cardholder must follow responsibilities outlined by the card provider.
- 4.5.5. Purchasing Cards are to be returned to the ~~Manager Corporate Services~~Finance Program Leader on or before the employee's termination date with a full acquittal of expenses.
- 4.5.6. The cardholder must not share the credit card details including the personal identification number (PIN) with anyone.

4.6. Purchasing Card Reconciliation Procedures

- 4.6.1. Purchasing Card statement accounts will be issued to the relevant cardholder monthly by the Finance Officer. The cardholder must complete the reconciliation and provide the approved reconciliation to the Finance Officer within seven days of issuing the statement.
- 4.6.2. All transactions on the statement must be supported by Tax invoice stating the Supplier's name, the Supplier's Australian Business Number (ABN), the date of the expenditure, brief description of the expenditure, price paid for the expenditure and the Council's name as the purchaser. The receipt shall meet the requirements of the Goods and Services Tax Act 1999 to enable GST rebate to be applied.
- 4.6.3. If no supporting documentation is available the cardholder will provide a statutory declaration detailing the nature of the expense. The statutory declaration can be found at <https://nt.gov.au/law/processes/statutory-declarations>. Approval of this expense is referred to the ~~Manager Corporate Services~~Finance Program Leader for a decision. Should approval of the expenses be denied by the ~~Manager Corporate Services~~Finance Program Leader recovery of the expense shall be met by the cardholder.
- 4.6.4. The cardholder shall sign and date the Purchasing Card reconciliation statement with supporting documentation attached. The immediate supervisor of the cardholder shall give written approval of the purchases by approving the purchasing card statement.
- 4.6.5. If a cardholder regularly makes use of a statutory declaration, the matter of repeated failure to keep supporting documentation must be brought to the attention of the ~~Chief Executive Officer~~CEO who will consider for appropriate action. This could include, to issue a first and final warning to the cardholder or revoking the use of the purchasing card from the cardholder.

4.7. Disputed Transactions

- 4.7.1. Litchfield Council is responsible for paying all accounts on the monthly Purchasing Card statement and the bank processes a direct debit from the operational bank account for such.
- 4.7.2. It is the Cardholder's responsibility to investigate with the supplier to determine the causes of the discrepancy. In the event this process does not resolve the discrepancy, the cardholder needs to inform finance, a finance team member will initiate a formal dispute process with the bank.

4.7.3. A finance staff member will facilitate the process between the staff member and the bank.

4.7.4. Any amounts in dispute need to be highlighted on the Purchasing Card statement and will be debited to a suspense account until resolved.

4.8. Procedures for Lost, Stolen and Damaged Cards

4.8.1. The loss or theft of a Purchasing Card must be immediately reported by the cardholder to the card provider regardless of the time or day discovered. The cardholder must also formally advise the ~~General Manager Business Excellence~~Director Corporate and Community on the next working day.

4.8.2. Advice of a damaged Purchasing Card is to be provided to the ~~Manager Corporate Services~~Finance Program Leader who will arrange a replacement.

4.9. Finance Services Responsibilities

4.9.1. The ~~Manager Corporate Services~~Finance Program Leader will ensure that the following responsibilities will be met by Finance Services:

- Arrange issues and cancellations of Purchasing Cards
- Maintain register of all cardholders
- Provide cardholders with the policy, and where required any changes to the policy and their responsibilities and obligations as cardholders
- Process payments of Purchasing Cards. This includes ensuring all required documentation is attached and relevant officers have signed the statements.
- Arrange for all cardholders to sign the Corporate Purchasing Cardholder Agreement with application for the Purchasing Card.
- Annual review of Purchasing Card compliance with authorised delegations
- Assist with formal dispute process

5. Associated Documents

[Delegation Manual](#)

[FIN03 Procurement Policy](#)

[FIN15 Purchasing Card Policy – Elected Members and Chief Executive Officer](#)

6. References and Legislation

Local Government Act, ~~Regulations, and Ministerial Guidelines~~ 2019

[Local Government \(General\) Regulations 2021](#)

[Goods and Services Tax Act 1999](#)

7. Review History

Date Reviewed	Description of changes (Inc Decision No. if applicable)
15/10/2015	Updated from old policy Code LC02

04/12/2017	Included penalties for misuse and annual review for card use and holders
27/01/2021	Updated to reflect changes as per the Local Government Act to be in effect as at 1 July 2021.
<u>29/05/2025</u>	<u>Policy reviewed and minor amendments made to formatting, position titles and policy references.</u>

8. CEO Approval

Approved by the Chief Executive Officer.

.....

Name

.....

Signature

.....

Date



Name	FIN15 Purchasing Cards – Elected Council Members and Chief Executive Officer <u>Purchasing Cards – Elected Members and Chief Executive Officer</u>
Policy Type	Council
Responsible Officer	Chief Executive Officer
Approval Date	17/03/2021 <u>17/06/2025</u>
Review Date	17/03/2025 <u>16/06/2029</u>

1. Purpose

The purpose of this policy is to provide guidance on how Council purchasing credit cards are to be allocated, used, and administered. This policy is designed to control the use of corporate purchasing cards issued under the name of Litchfield Council to Elected Council Members and Chief Executive Officer (CEO). Procedures outlined in this policy ensure sound governance of expenditure incurred on behalf of Council

2. Scope

This policy applies to all Council Members and the CEO who are issued with a purchasing card.

3. Definitions

For the purposes of this Policy, the following definitions apply:

Purchasing Cards	Corporate purchasing cards issued in the name of Litchfield Council.
Cardholder	Litchfield Council Elected member or CEO that is holder of a corporate purchasing card.

4. Policy Statement

4.1. Issuing of Purchasing Cards

- 4.1.1. Council will authorise the issue of a credit card to the CEO with credit limits as stated in the ~~D~~delegation ~~M~~manual.
- 4.1.2. Council may resolve to issue a credit card to a council member only if the card is necessary for the council member to perform their functions and it is not reasonably possible to use the Council's purchasing system for ordering of goods or services.
- 4.1.3. To be issued a Purchasing Card, eligible cardholders will be provided with a Purchasing Card request form from Finance. The form is provided by Litchfield Council's banking service provider. Eligible cardholders will be required to prove their identity with the bank issuing the Purchasing Card.

- 4.1.4. Council members and the CEO issued with Purchasing Cards are in a position of trust with regard to the use of public funds. Improper use of that trust may render the cardholder liable to disciplinary action, legal action or criminal prosecution. All cardholders are to acknowledge receipt of ~~the Purchasing Card Policy in form of a signed agreement.~~this policy.

4.2. Credit Limit

- 4.2.1. The monthly maximum credit limit for Purchasing Cards is set in the financial delegation policy.
- 4.2.2. The purchasing card is to have no cash advance facilities.
- 4.2.3. The purchasing card is not to be linked to any form of award points.

4.3. Cancellation of Purchasing Cards

- 4.3.1. Each issued Purchasing Card remains the sole property of Litchfield Council. Council may revoke the use of the purchasing card issued to the CEO or elected members at any time.
- 4.3.2. Cancellation of a Purchasing Card is necessary where the:
- Cardholder changes job function which results in changes to delegated authority.
 - Employment with Council ceases.
 - Cardholder has not adhered to set procedures and policies.
 - Misuse of Purchasing Card.
 - Cardholder breaching any terms of this policy.

4.4. Use of Purchasing Card

- 4.4.1. Purchasing Cards must only be used for the carrying out of Council authorised business and for the meeting of Council liabilities where it is deemed to be inefficient to adhere to the electronic purchase order system.
- 4.4.2. No private expenditure shall be incurred, even if private funds are transferred or repaid immediately, to offset the expenditure. This includes the payment of parking fines or speeding offences even if incurred whilst on Council business.
- 4.4.3. All purchases on the Purchasing Card require appropriate authorisation in line with ~~relevant Procurement~~FIN03 Procurement Policy -and ~~Financial Delegations policy~~the Delegation Manual.
- 4.4.4. Where inappropriate expenditure occurs, the value of the expenditure shall be recovered from the cardholder. Should there be an accidental purchase, the CEO is to be notified and the Council reimbursed immediately.
- 4.4.5. Penalties for misuse will apply as per FIN10 Fraud Protection Plan.

4.5. Cardholder Responsibilities

- 4.5.1. The cardholder has to ensure that the Purchasing Card is maintained in a secure manner and guarded against improper use.
- 4.5.2. All supporting documentation regarding a Purchasing Card transaction is to be retained by the cardholder and produced as part of the reconciliation procedure.

- 4.5.3. Reconciliation is to be completed within seven days of the date of the Purchasing Card statement being issued to the cardholder.
- 4.5.4. The cardholder must follow responsibilities outlined by the card provider.
- 4.5.5. The cardholder is to return the credit card to the Council as soon as the card is no longer required or if the cardholder is leaving the Council, on or before the last day with Council.
- 4.5.6. The cardholder must not share the credit card details including the personal identification number (PIN) with anyone.

4.6. Purchasing Card Reconciliation Procedures

- 4.6.1. Purchasing Card statement accounts will be issued to the relevant cardholder monthly by the Finance Officer. The cardholder must provide the Finance Officer with the following information on the statement:
 - Description of purchase
 - Budget (General Ledger) allocation
 - Applicable GST amounts
- 4.6.2. All transactions on the statement must be supported by Tax invoice stating the Supplier's name, the Supplier's Australian Business Number (ABN), the date of the expenditure, brief description of the expenditure, price paid for the expenditure and the Council's name as the purchaser. The receipt shall meet the requirements of the Goods and Services Tax Act 1999 to enable GST rebate to be applied.
- 4.6.3. If no supporting documentation is available, the cardholder will provide a statutory declaration detailing the nature of the expense. The statutory declaration can be found at <https://nt.gov.au/law/processes/statutory-declarations>.
- 4.6.4. The cardholder shall sign and date the Purchasing Card reconciliation statement with supporting documentation attached. The Mayor approves the reconciliation statement of the CEO's credit card and the CEO approves the elected members credit card reconciliation.
- 4.6.5. If a cardholder regularly makes use of a statutory declaration, the matter of repeated failure to keep tax invoices must be brought to the attention of the ~~Chief Executive Officer~~ CEO who will consider for any appropriate action. This could include, to issue a first and final warning to the cardholder or revoking the use of the purchasing card from the cardholder. In the case of the ~~Chief Executive Officer~~ CEO the matter should be brought to the attention of the Mayor.

4.7. Disputed Transactions

- 4.7.1. Litchfield Council is responsible for paying all accounts on the monthly Purchasing Card statement and the bank processes a direct debit from the operational bank account for such.
- 4.7.2. It is the Cardholder's responsibility to investigate with the supplier to determine the causes of the discrepancy. Only if this process does not resolve the dispute the cardholder needs to inform finance, who will initiate a formal dispute process with the bank.
- 4.7.3. A formal dispute process will require the cardholder to fill in a dispute form from the bank. A finance staff member will facilitate the process between the staff member and the bank.
- 4.7.4. Any amounts in dispute need to be highlighted on the Purchasing Card statement and will be debited to a suspense account until resolved.

4.8. Procedures for Lost, Stolen and Damaged Cards

- 4.8.1. The loss or theft of a Purchasing Card must be immediately reported by the cardholder to the card provider regardless of the time or day discovered. The cardholder must also formally advise the CEO immediately. If the cardholder is the CEO, they must advise the Mayor.
- 4.8.2. Advice of a damaged Purchasing Card is to be provided to the CEO who will arrange a replacement.

4.9. Finance Services Responsibilities

- 4.9.1. The ~~Manager Corporate Services~~ Finance Program Leader will ensure that the following responsibilities will be met by Finance Services:
 - Arrange issues and cancellations of Purchasing Cards
 - Maintain register of all cardholders
 - Provide cardholders with the policy, and where required any changes to the policy and their responsibilities and obligations as cardholders
 - Process payments of Purchasing Cards. This includes ensuring all required documentation is attached and relevant officers have signed the statements.
 - Arrange for all cardholders to sign the Corporate Purchasing Cardholder Agreement with application for the Purchasing Card.
 - Annual review of Purchasing Card compliance with authorised delegations
 - Assist with formal dispute process

5. Associated Documents

~~Litchfield Council Policies~~ Delegation Manual

FIN03 Procurement Policy

FIN12 Purchasing Cards – Council Staff

6. References and Legislation

Local Government Act 2019

~~Local Government (General) Regulations 2021, Regulations, and Ministerial Guidelines~~

Goods and Services Tax Act 1999

7. Review History

Date Reviewed	Description of changes (Inc Decision No. if applicable)
17/03/2021	Adoption of Policy for implementation on 1 July 2021
<u>17/06/2025</u>	<u>Policy reviewed and minor amendments made to formatting, position titles and policy references.</u>

9. Other Business

10. Confidential Items

Pursuant to Section 93 of the Local Government Act and Regulation 51 of Local Government (General) Regulations the meeting be closed to the public to consider the following confidential items:

10.01 Confirmation of Confidential Minutes

Regulation 51(1) for Section 293(1) of the Act, the following information is prescribed as confidential:

(d) information subject to an obligation of confidentiality at law, or in equity.

10.02 Interim Audit Report For Year End 30 June 2025

Regulation 51(1) for Section 293(1) of the Act, the following information is prescribed as confidential:

(e) subject to subregulation (3) – information provided to the council on condition that it be kept confidential and would, if publicly disclosed, be likely to be contrary to the public interest.

11 Close of Meeting