

Roper Gulf Regional Council

Accounting and Policy Manual

Dates of amendments made by Council resolution:

- **03 September 2012** **Finance Committee Meeting**
- **26 March 2014** **Ordinary Council Meeting**
- **12 November 2014** **Ordinary Council Meeting**

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1 Background

1.1 Introduction

The Local Government Accounting Regulations 9(1) requires council to maintain an accounting and policy manual which must include or incorporate by reference, the following:

- (a) an organisation chart showing the functions of the council, its committees and responsible officers;
- (b) a statement of the duties and responsibilities of the CEO and responsible officers;
- (c) a statement of the principal accounting policies of the council;
- (d) information about the timing and content of financial management reports to the council and the CEO;
- (e) a statement of the procedures the council considers necessary to facilitate the timely preparation of the council's annual financial statement;
- (f) the information necessary to ensure the proper operation of any computer based accounting system in use;
- (g) details of all administrative and accounting procedures, policies and delegations of authority, including:
 - (i) details of internal control procedures;
 - (ii) details of personnel and financial delegations;
 - (iii) a chart of accounts divided into assets, liabilities, income, expenses and council equity accounts; and
 - (iv) procedures relating to the receipt and banking of money, the payment of salaries and wages, the allocation of machinery operating costs to council functions, the purchase of goods and services and the granting of credit to council debtors.

The Accounting Policy Manual is therefore written to satisfy the requirements of the Northern Territory Local Government (Accounting) Regulations and to document the Internal Control adopted by the Regional Council to safeguard assets, secure the accuracy and reliability of accounting data and financial reporting for promoting the operational efficiency of Roper Gulf Regional Council.

1.2 Scope

The Accounting Policy Manual has been prepared as a part of the Operational Manual of Roper Gulf Regional Council (hereinafter referred to as RGRC).

The manual must be followed by RGRC staff in managing the available funds for meeting the objectives of the RGRC.

1.3 Purpose and Objectives of the Manual

This Manual has been developed in order to provide the RGRC with guidelines that will ensure sound financial management and internal controls to safeguard and manage RGRC's financial obligations. The objective of the manual is to ensure an efficient and effective use of funds while implementing the RGRC's programs and safeguard the assets of the organisation.

2 Organisational Structure

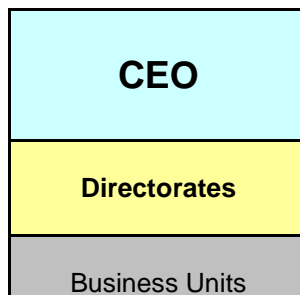
2.1 Organisational Chart

ROPER GULF REGIONAL COUNCIL
Organisational structure



2.1.1 Structure by Business Unit and Directorate

CEO			
Director Corporate Services	Director Council Services and Infrastructure	Director Community Services	Director Contracts and Technical Services
<ul style="list-style-type: none"> • Finance • Human Resources • Governance, Corporate Planning & Compliance • IT • Work Health and Safety 	<ul style="list-style-type: none"> • Regional Service Management (Municipal Services) • Projects • Logistics • ESO 	<ul style="list-style-type: none"> • RJCP • Family & Community Services • Community Safety (including Night Patrol, Youth Services, Sport and Recreation) 	<ul style="list-style-type: none"> • Housing maintenance • Tenancy Management • Mechanical workshops • Assets • Outstations



2.2 Functions of the Council

Part 2.3 of the Local Government Act (2008) defines the role and functions of the Council to primarily be:

- to plan for local government services that the people of the Roper Gulf Regional Council will need in the future;
- to make sure that there are services and facilities in the Roper Gulf Regional Council that meet the needs of the people living in the region as well as visitors and tourists;
- to protect the region from dangers of bushfires and other natural hazards by taking actions to stop hazards from happening, and properly managing the dangers when they do happen;
- to manage and develop the Roper Gulf Regional Council facilities and services in a way that keeps to the budget that has been given for the facilities and services;
- to promote the region widely as a good place to set up industries and businesses, as well as a great place to visit as a tourist;

- to set up or help organisations or programs in the Region that will be good for all the people in the region;
- to look after and develop all the resources that the Council has for the good of all the people in the region;
- to carry out other functions given to Roper Gulf Regional Council under the Local Government Act or any other Act

Roper Gulf Regional Council is responsible for the delivery of a broad and unique range of services to its communities, with different communities within the region having their own different priorities. The **RGRC** is responsible for:

- Delivering Core Services
- Providing Corporate Governance
- Providing Advice and Advocacy
- Ensuring Legislative Compliance
- Facilitating Local Education and Training and
- managing the following resources:
 - Financial Resources
 - Human Resources
 - Physical Resources
 - Information Resources
 - External Resources (Suppliers and Contractors)
 - Partnerships and Relationships

2.3 Services Provided by the Council

2.3.1 Core Services

Core Services are services that the Minister for Local Government may, by Gazette notice, advise regional councils to provide and the regional councils must consider such delivery of such service when adopting and renewing their annual service delivery plan. There are currently no services gazetted as core services.

The following services will be provided to communities in the RGRC area:

- Administration of Local Authorities,
- Administration of Local Laws
- Advocacy and Representation on Local and Regional Issues
- Asset Management
- Cemetery Management
- Civic Cultural and Sporting Events
- Companion Animal Welfare and Control
- Community Management
- Council Planning and Reporting
- Customer Relationship Management
- Financial Management
- Fleet and Plant Management
- Governance
- Human Resource Management
- Information Technology and Communications
- Library and Cultural Heritage
- Lighting for Public Safety including Street Lighting
- Local Emergency Management
- Local Road Maintenance

- Local Road Upgrade and Construction
- Maintenance and Upgrade of Council Controlled Buildings, Facilities and Fixed Assets
- Maintenance and Upgrade of Council Controlled Parks, Reserves and Open Spaces
- Public and Corporate Relations
- Records Management
- Risk Management
- Traffic Management on Local Roads
- Training and Employment of Local People in Council Operations
- Waste Management (including litter reduction)
- Weed Control and Fire Hazard Reduction

2.3.2 Agency Services

Agency Services include services that the RGRC has agreed to deliver on behalf of other Government Agencies on a fee for service basis. It is anticipated that these services would be fully funded by the relevant agency and that funding would include a contribution to administrative costs associated with delivering the service. Subject to funding provided by the relevant agencies the following Agency Services will be delivered by the RGRC:

- Aged and Disabled Care
- Arts and Culture
- Community Media
- Community Safety
- Economic Development Support
- Employment and Training
- Environmental Health
- Family Services (Including Child Care)
- Family Finance Skills
- Natural and Cultural Resource Management
- Outstation/Homeland Municipal
- Sport and Recreation
- Youth Services
- Remote Jobs and Communities Program

2.4 Council and Committees:

2.4.1 Council

The Roper Gulf Regional Council has 12 elected members to govern Roper Gulf Regional Council. The 12 Councillors are elected for a term of 4 years. The Mayor and Deputy Mayor are elected from and by the Council. A network of Local Authorities has been established to enable Council to have a systematic approach to community input on issues that affect a particular community or local region. Memberships of the local authorities are reviewed regularly and reappointments, appointments, and other changes are actioned accordingly. Council has formalised the Youth Voice Committees in the Growth towns and aims to develop similar committees in all Service Delivery Centre's as a commitment to the Strategic Plans key focus area.

2.4.2 Committees

The members of a Council committee may include people who are not Council members. A Council committee can have a wide range of executive or advisory functions. A Council committee is subject to control and direction by the Council.

Finance Committee

The Roper Gulf Regional Council has established a Finance Committee, which meets on the months when there is no Ordinary Meeting of Council. The Mayor, Deputy Mayor, two (2) Councillors and an independent member, form the membership of the Finance Committee.

Audit Committee

An Audit Committee has been established to monitor compliance by the Council with proper standards of financial management, the regulations and Accounting Standards. The current membership of the Audit Committee includes three Councillors and two independent Members.

Youth Voice Committee

Youth Voice Committees have been established in Borroloola, Ngukurr and Numbulwar to give youth a voice and participation in the Council governance structure.

Community Grants Selection Committee

Community Grants Selection Committee has been established to recommend to Council the allocation of community grant funds. The Mayor, Deputy Mayor and any three Councillors, form the membership of the Community Grants Selection Committee.

Local Authorities

Local authorities are formed to achieve integration and involvement of local communities in the system of Local Government. Local authorities are run in accordance to the provisions of the Local Government Act 2008.

Local authorities established within the boundaries of Roper Gulf Regional Council shall:

- provide advice to the Roper Gulf Regional Council (RGRC) on service delivery plans including infrastructure requirements for communities and associated outstations, or local region or wards, and to contribute to the development of Regional (Business) Plans,
- alert and advise RGRC on new and emerging issues within the scope of RGRC activity,
- advise on specific Council, community and social projects that impact on community or region,
- advise and support the RGRC staff in the local implementation of the Regional (Business) Plan, particularly in the area of cross-cultural best practice in governance and service delivery, and
- respond to identified community needs, if appropriate, by participating and organising activities such as community events, youth, community safety, housing advice and community planning and infrastructure development.

3 Duties and Responsibilities

3.1 CEO

The CEO Position is a contract position based on a performance agreement. Each of the four Director Positions are contract positions based on a performance agreement. Each staff position has a position description that is reviewed annually in accordance with relevant human resource measures and industrial relations legislation. A number of staff are contract positions based on performance agreements.

3.2 Director Corporate Governance

Objectives

Operating under the direction of the Chief Executive Officer, this position is responsible for;

- Undertaking the Senior Executive Advisory role to the CEO and Council on all matters relating to Local Government's resources, including finance, human resources, IT management & Governance and assist with policy formulation, Regional Business Planning, development and implementation.
- Ensuring the functions and duties of the position are carried out with compliance to all relevant statutes and accounting standards
- Being an active member of the Strategic Leadership Team (SLT) and contribute to implementing the strategic direction of the Local Government; and
- Managing the formulation and implementation of the Regional's Annual Budget and long term financial plans.

Major Role and Challenges

- Optimise the Corporate Governance services through Finance, Governance, Human Resource and Information Technology
- Managing government relations to ensure alignment of core and commercial interests and strategic directions.
- Forecasting operational performance targets.
- Manage the balance for competing demands for resources engaged in the delivery of services.
- Ensuring effective governance, integrity, probity, ethical behaviours and standards in core service activities.
- Problem resolution and required to manage resources across a diverse cross cultural environment and spanning area
- Requirement for ongoing visits to each of the service delivery centres are imperative to enable successful delivery of the directorate's operations program.

3.3 Director of Council Services and Infrastructure

Objectives

The Director of Council Services and Infrastructure contributes as a member of the Strategic Leadership Team (SLT) to ensure organisational performance and provide strategic leadership, executive management and development of the Roper Gulf Regional Council's infrastructure and technical services interests, operations and commercial ventures to:

- Optimise effective and effective service delivery
- Direct and Coordinate the Regional Services Management team providing effective support and administration for the directorate's human resources ensuring the safety, development and productivity of staff to ensure best practice in business

performance, continuous improvement and compliance of service operations with work, health and safety, environmental, regulatory and legislative requirements;

- Provide strategic management advice and assessment of core service delivery opportunities and proposals to the CEO.

Major Role and Challenges

- Managing government relations to ensure alignment of core and commercial interests and strategic directions.
- Managing of Councils assets
- Ensuring effective delivery of services
- Manage the balance for competing demands for resources engaged in the delivery of services.
- Problem resolution and required to manage resources across a diverse cross cultural environment and spanning area
- Regular visits to each of the service delivery centres are imperative to enable successful delivery of the directorate's operations program. It is anticipated that visits to the more distant communities will occur at intervals of six to eight weeks with the closer communities being visited on a fortnightly basis.

3.4 Director of Community Services

Objectives

- Manage Council's community service operations and contracts which provide care and protection for local people in identified communities and townships through the Night Patrol plan, Youth Services plan and Sport & Recreation plan.
- Undertake the chief advisory role to the Local Government on all matters relating to Local Government's community development programs, resources and personnel.
- Ensure that community service operations undertaken are in line with Council's business plan and that the Council is more capable than another existing organisation of providing the service.

Major Role and Challenges

- Highly developed problem solving skills are required to manage resources across a diverse cross cultural environment and spanning an area 185,000 sq km (an area the size of Victoria).
- Liaison with Council Service Managers is essential as they are the full time community based managers who provide direct supervision to field workers.
- Regular visitation schedules for all service delivery centres (every 6-8 weeks for remotest communities, every fortnight for closer lying communities).

3.5 Director Contracts and Technical Services

Objectives

The Director Contracts and Technical Services will;

- Optimise commercial value and return for the Council in Housing, Workshops and Power and Water
- Increase cost effectiveness of the Councils commercial operations.
- Generate income from a range of income producing commercial operations in order to support Regional services and infrastructure.
- Increase the quality and number of services delivered as a result of cost reductions due to effective and efficient decision-making processes which are accountable, communicative, planned and responsive.
- prepare a Revenue Growth Plan for each of the business units,

Major Role and Challenges

The Director Contracts and Technical Services contributes to the organisational performance through strategic leadership and development of:

- **Commercial Partnerships and Sponsorships**
In conjunction with the EMT identify, develop and manage commercial partnerships that might include;
 - Business partnerships
 - Service Agreements
 - Corporate sponsorships that leverage business development opportunities for both parties
 - Develop an integrated and supportive approach to contract management with the Australian and Territory Governments

- **Profitable Business Enterprise Units**
 - Develop plans to enhance and optimise revenue opportunities
 - Deliver outcomes in line with commercial expectations and plans

- **Business Development**
 - Develop a business development culture across the areas of responsibility that fosters innovation
 - Analyse market needs and trends across the areas of responsibility and develop marketing strategies and initiatives to develop business

- **Strategic Planning**
 - As a key member of the Strategic Leadership Team (SLT), provide input to the Regional's strategic planning processes
 - Monitor Town Priority projects with the Project Manager

3.6 Finance Manager

Objectives

To plan and deliver financial services for the Roper Gulf Regional Council including: rates and property, creditors, debtors, investment, financial management including budgets, annual financial reports and payroll.

Major Role and Challenges

The Finance Manager is the principal accounting officer and is responsible for ensuring that Councils financial obligations under the Local Government Act and regulations are met.

Operating under the direction of the Director Corporate Governance and in accordance with Regional Council corporate plans, policies, relevant legislation and accounting standards this position is responsible for:

- The financial management of the Council and the supervision and successful operation of the finance team;

Key Responsibilities

- **Council Budget**
Facilitation of Council budget and forward financial modelling development and management

- In conjunction with all Council Departments, draft an annual budget within agreed timelines for ratification by Council.
 - Monitor and review budgets as required by relevant legislation/accounting regulations and provide financial reports to Council and funding agencies where required.
 - Provide advice to the Director Corporate Governance and Chief Executive Officer on budget matters including recommended strategies to manage spending by departments.
 - Assist Council Members to improve Council knowledge of budget and financial matters.
 - Develop and maintain a forward financial model/plan in conjunction with the annual budget for the period as required under legislation/accounting regulations or a longer period as required by Council.
 - Analyse new project budgets to ensure viability and provide advice to the Director on the financial sustainability of projects.
- **Council and Organisational Management**

To advise and assist the Director on policy and organisational management issues

 - Review, develop and recommend policy and procedures.
 - Attend and contribute to Council and Committees as required.
 - Ensure all regulatory requirements related to the finance section are fulfilled.
 - Assist the Director as required.
- **Community and Organisational Planning**

To contribute to medium and long term planning

 - Develop strategic directions for internal financial reporting.
 - Develop strategic directions for external transactions/payment systems.
 - Develop a Strategic Plan for future rating structures.
 - Develop a Strategic Financial Plan to align with Council's strategic planning processes
 - Develop and implement investment strategies.
 - Develop and implement Operational Service Plans within the Finance Department.
- **Operational and Financial Management**

Council services are delivered in accordance with Business Plan

 - Ensure the finance section's work practices and procedures are appropriate and current.
 - Supervise and deliver the Council finance and accounting functions in line with Council Finance Policy and statutory requirements.
 - Ensure that a teamwork philosophy is engendered in all operations.
 - Provide timely management reports on operations of the section.
 - Provide input to Council's Annual Report.
 - Oversee completion of Statutory Reports.
 - Establish and manage contracts as required to ensure delivery of efficient services.
 - Manage loan and investment portfolios.
 - Assist the Asset Manager maintain the Assets Register and valuations of all Council property in accordance with accounting standards.
 - Liaise with the Department of Local Government, other relevant funding bodies and auditors on all financial matters to ensure all appropriate records and reporting are delivered and the Council finance system is operating effectively and efficiently.

- **People Management**
Actively encourage staff participation and development
 - Regular and effective communication is practiced.
 - Staff performance is monitored.
 - Human Resource policies and procedures are implemented.
 - Ensure staff are adequately supervised and have opportunities for development and training.
 - Leadership is provided to the section.
 - Service and employee responsibilities are clearly identified.

- **Customer Service**
Council provides customer-focused products and services to the community
 - A customer-focused Council is promoted.
 - All customer issues are responded to in accordance with Council's Customer Service Standards.
 - Sound customer relations with internal and external customers, including Councillors, are developed.
 - Stakeholders are engaged in the section's activities.
 - All customer requests are recorded and attended to.

- **Risk Management**
Assist in the development and implementation of organisational risk management procedures
 - Development and maintenance of internal controls within the finance section.
 - Ensure that appropriate systems are established and actions taken to implement the Council's Occupational Health and Safety requirements.
 - Ensure regular monitoring of Health and Safety performance in the area of responsibility.
 - Participate in Occupational Health and Safety activities.

- **Business Plan**
To implement Council's Business Plan in accordance with target dates
 - The Business Plan, Budget and Operational Service Plans are actively monitored.
 - Monthly status review of Budget and Operational Service Plans.
 - Quarterly review and report to Director.

4 Summary of Significant Accounting Policies

4.1 General Information

The summary of significant accounting policies has been developed in consultation with Merit Partners Chartered Accountants as part of the audit process.

4.2 Basis of Report Preparation

Statement of Compliance

Financial reports are prepared in accordance with Australian Accounting Standards and Interpretations, the requirements of the Local Government Act, the Local Government (Accounting) Regulations, and other authoritative pronouncements of the Australian Accounting Standards Board. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transaction or other events is reported. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated. A financial report is prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets. All amounts are presented in Australian dollars, unless otherwise noted.

Adoption of New and Revised Accounting Standards

The Council has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current annual reporting period.

Future Australian Accounting Standard Requirements

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

4.3 Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is measured on major income categories as follows:

4.3.1 Rates

Rates are enforceable debt linked to rateable property that will be recovered when the property is sold, and therefore control normally passes at the time of levying, or where earlier upon receipt of rates paid in advance. The rating period and reporting period for the Council coincide and accordingly, all rates levied for the year are recognised as revenues.

Uncollected rates are recognised as receivables. A provision is recognised when full collection is no longer probable.

4.3.2 Grants, Donations and other Contributions

Grants, donations and other contributions are recognised as revenues when the Council obtains control over, or the right to receive the assets, it is probable that future economic benefits comprising the asset will flow to the Council, and the amount can be reliably measured. Control over granted and contributed assets is normally obtained upon their receipt (or acquittal) and is valued at their fair value at the date of transfer. Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is

recognised as services are performed or conditions fulfilled. Revenue from nonreciprocal grants is recognised when received.

4.3.3 Interest Revenue

Interest is recognised as it accrues, when it is probable that the future economic benefits will flow to the Council and it can be measured reliably.

4.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

4.5 Financial Instruments

A financial instrument is recognised if the Council becomes a party to the contractual provisions of the instrument. Financial assets are recognised at trade date (less impairment). Financial assets are derecognised if the Council transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Council's obligations specified in the contract expire or are discharged or cancelled.

4.5.1 Financial Assets

The Council classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial instrument was acquired. The Council determines the classification of its financial instruments at initial recognition and re evaluates this designation at each reporting date.

4.5.2 Loans and Receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest rate method less impairment.

4.5.3 Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial assets, or where appropriate, a shorter period.

4.5.4 Impairment of Financial Assets

Financial assets are reviewed at each Statement of Financial Position date to determine whether there is objective evidence of impairment. A financial asset or group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition that indicates that it is probable that the entity will be unable to collect all amounts due. The carrying amount of a financial asset identified as impaired is reduced to its estimated recoverable amount.

4.5.5 Derecognition of Financial Assets

The Council derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks

and rewards of ownership of the asset to another entity. If the Council neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Council recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Council retains substantially all the risk and rewards of ownership of a transferred financial asset, the Council continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

4.5.6 Financial Liabilities

The Council classifies its financial liabilities as other financial liabilities. This classification pertains to financial liabilities that are not held for trading or not designated as at FVPL (Fair Value through Profit & Loss) upon inception of the liability. The classification depends on the purpose for which the financial liability was incurred. The Council determines the classification of its financial liability at initial recognition and re evaluates this designation at each reporting date.

4.5.7 Trade and other payables

These amounts represent liabilities for goods and services provided to the Council prior to the end of the financial year which remain unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

4.5.8 Borrowings

Borrowings are initially measured at fair value, net of transaction costs. Borrowings are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

4.6 Inventories

Inventories held are in respect of business undertakings, and are valued at the lower of cost and net realisable value.

4.7 Property, Plant & Equipment

4.7.1 Acquisition of Property, Plant and Equipment

Property, plant and equipment is recognised at cost less accumulated depreciation and any impairment allowance. Cost includes expenditure that is directly attributable to the acquisition. Cost related to property, plant and equipment gifted, donated or granted to the Council is the fair value of the asset, plus cost directly attributable to the acquisition.

4.7.2 Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. Depreciation is provided for on a straight line method using lives which are reviewed each reporting period. The following useful lives are used in the calculation of depreciation:

Buildings and Infrastructure 10 - 40 years

Roads 20 years
Plant and Equipment 4 - 10 years
Furniture and Fittings 4 - 10 years
Motor Vehicles 5 years

4.8 Property, Plant & Equipment

4.8.1 Valuation of Land, Buildings and Infrastructure

A formal valuation and verification process has been undertaken for land, buildings and infrastructure and the asset register updated as at 30 June 2011.

4.8.2 Revaluation increments and decrements

Revaluation increments and decrements arising from recognising assets at valuation are offset against one another within the class of assets. Net revaluation increments in the carrying amounts of these assets are recognised directly in the other comprehensive income (asset revaluation reserve), except to the extent that the increment reverses a decrement that was previously recognised as an expense in the net profit or loss in respect of the same class of assets, in which case the increment is recognised as revenue in the net profit or loss. Net revaluation decrements in carrying amounts are recognised as an expense in the net profit or loss, except to the extent that the decrement reverses a previous revaluation increment in respect of the same class of assets credited directly to the other comprehensive income, in which case the decrement is debited directly to other comprehensive income (asset revaluation reserve).

4.8.3 Land under Roads

Council has elected not to value or recognise as an asset land under roads acquired prior to 1 July 2008 in accordance with the election available under AASB 1051 *Land Under Roads*. Land under roads acquired after 1 July 2008 will be recognised at cost. The cost of the land under roads will be the fair value as at the date acquired.

4.9 Impairment of assets

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such an indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For non cash generating assets of the Council such as roads, cycle paths and public buildings, fair value is represented by the depreciated optimised replacement cost. Impairment losses are recognised in the surplus or deficit.

4.10 Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave. Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which

are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

Defined Contribution Plans

Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

4.11 Taxation

The Council is tax exempt under Sec 50-25 of the Income Tax Assessment Act 1997, being a local governing body.

4.12 Goods and Services Tax

Revenues, expenses and assets are recognised net of the amounts of goods and service tax (GST), except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset, or as part of an item of the expense; or
- for receivables and payables which are recognised inclusive of GST, the net amount recoverable from, or payable to, the taxation authority is included as part of receivables or payables.
-

4.13 Economic Dependence

During the year the Council received grants from the Northern Territory and Australian Governments and the future operation of the Council is dependant upon continued government funding.

5 Timing and Content of Financial Reports

5.1 Financial Management Reports - Timing

Financial Management Reports are prepared monthly by the Finance Manager or their delegate. By the end of the second week of each month, the following tasks are implemented:

- Reconciliation of control accounts
- Suspense account check
- Internal Allocations check
- Bank reconciliation
- Variance report checks
- BAS completed

Financial Management Report to Council Meeting or Finance and Audit Committee Meeting of each Month. These reports include:

- Statement of Financial Position

- Statement of Comprehensive Income
- Statement of Working Capital
- Cash flow Statement
- Debtors and Creditors Reports
- Reports by Activity / Service / Community

Half yearly budget review to be completed by the third week of the following month for review then presented to the finance Committee and then forwarded to the next Council Meeting.

Annual Financial Statements to be completed for inclusion in the Annual Report, which must be published by 15th November of each year.

5.2 Financial Management Reports - Content

Monthly Financial Management Reports:

- Budget Summary Report - represents actual income and expenditure of the council for the period from the commencement of the financial year up to the end of the previous month and includes quarterly forecast income and expenditure for the whole of the financial year.
- Investments Management Report – provides details of all cash and investments held by the council (including money held in trust)
- Debtor Accounts – a categorised statement of debts owed to council.
- Creditor Accounts – a summary of accounts

Half Year Review Reports:

- Summary of Budget Revision Proposals
- Income and Expenditure Statements
- Statement of Financial Position
- Statement of Comprehensive Income
- Statement of Working Capital
- Cashflow Statement
- Debtors and Creditors Reports
- Reports by Activity / Service / Community

5.3 Financial Management Report - Preparation Process

Financial reporting occurs using the following process:

1. Information is compiled to complete Financial Management Report.
2. Report is completed by Finance Manager and Director Corporate Governance.
3. Report is reviewed by Finance Manager.
4. Report is approved by Director of Corporate Governance.
5. Report is included in agenda for Council meeting by Chief Executive Officer.
6. Report is reported to Council.
7. Report is made available to public if applicable.

6 Annual Financial Statement Preparation Procedures

6.1 Appointment of External Auditor

The external Auditors are appointed each year by way of Council Resolution. The audit should be conducted around the end of August to allow enough time for the end of year

processing required. Appendix -III shows the list of engaged Auditors for Roper Gulf Regional Council.

6.2 Tasks Required in Preparation of Auditors

The following tasks shall be completed for preparation of the Annual Financial Statements in accordance with applicable Australian Accounting Standards:

1. Accounting system closed 30 June each year.
2. Balance Sheet accounts are reconciled. Major accounts include:
 - Debtor and creditor account reconciliations
 - Rates reconciliation
 - Superannuation control accounts reconciliation
 - Payroll control accounts
 - Bank accounts
 - Credit Card Accounts
3. Asset audit and revaluations completed as necessary.
4. Balance day adjustments are completed (Asset revaluations, suspense accounts are cleared).
5. Bank Reconciliation as 30 June each year is completed.
6. Letters written to third parties to obtain information for statements including investment holders, bank, Government Departments that supply grants/appropriations and Solicitors.
7. Accounts are closed and Trial Balance completed.
8. Review the TechOne End of Year Processing Procedure and ensure all tasks are completed.
9. Prepare draft reports and statements
 - a. Statement's completed and reviewed by Finance Manager.
 - b. Statement's reviewed by Director of Corporate Governance.
 - c. Statement's reviewed and signed by Chief Executive Officer.
10. Review and correct anomalies as required prior to rollover of the closing balances to the opening balances of the new financial year.

6.3 Process for Council regarding Annual Financial Statements

1. The Finance Manager shall prepare draft statements for submission to the Finance and Audit Committee, and for external audit
2. The Finance and Audit Committee shall review the draft statements to ensure that they present fairly, the affairs of Council. This review will be conducted independent of the external audit. However, it is anticipated that the Finance and Audit Committee will have the benefit of any information available (informal or otherwise) on particular matters raised by the auditor up until the time of review. Any suggested changes will be provided to the Finance Manager.
3. Following the external audit, the Finance Manager and Auditor shall propose any necessary amendments to the draft statements, which will be referred to the CEO and Directors for consideration.
4. The proposed amendments to the draft statements may be referred to the Finance and Audit Committee for further consideration or the Finance Manager, if satisfied that the proposed amendments are appropriate, complete and date the certificate. The final statements shall be signed off by the Chief Executive Officer and resolved by Council.

6.4 Post Audit Requirements

1. Statements audited by Council Auditor – September/October each year.
2. General Purpose Financial Statement is prepared to include:
 - Auditor's Certificate
 - CEO's Certificate
 - Statement of Comprehensive Income
 - Statement of Financial Position
 - Statement of Working Capital
 - Statement of Changes in Equity
 - Statement of Cashflows
 - Notes to, and forming part of, the Principal Financial Statements including a Report of Income and Expenditure by Functions as defined by the Australian Bureau of Statistics (ABS) classifications
3. Copy of Statements provided to CEO, Council, Auditors, LGANT and Department of Local Government – NT Grants Commission.
4. Audited Financial Statements to be included in the Annual Report
5. Advertisement placed in local newspaper.
6. Copy of Statements at all service delivery centres and the registered office
7. Copy of Statements included in Annual Report (placed on internet site for public perusal and download as required).
8. Feedback from public received and questions answered.
9. Format and content reviewed, based on feedback and legislative changes for next financial year.

6.5 Annual Financial Statements Presentation

The annual financial statements (including the accompanying auditor's report and other certificates) shall be are presented in accordance with relevant Local Government Legislation at an ordinary council meeting (audited by 15 November).

The audited financial statements will be included in the Council's Annual Report which is to be submitted to the Department representing Local Government by 15 November of each year.

7 Computer Based Accounting System

7.1 Technology One Finance Management Database

- Roper Gulf Regional Council uses Technology One Financial Management Database.
- The database resides on the CouncilBIZ servers in Darwin. These servers are managed by CouncilBIZ and CouncilBIZ manages the System Administration of the TechOne system.
- 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 code and password validations. Access to the database is restricted by system access routines.
- Access to application programs in the financial and rating systems is restricted by relevant module securities per employee and database access security.

- 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 access their respective modules and can perform enquiry, reporting, data entry, processing of financial records.

7.2 System Administration

Administration of the database is restricted to CouncilBiz, RGSC IT department, Finance Manager. System Administration includes

- Changes to Users and Authorisations
- System setup including ledgers
- System maintenance
- Format of data entry screens
- Ledger imports and uploads
- Changes to all parameters

Chris 21 have access to the payroll system whilst contractually obligated to perform payroll preparation.

7.3 Operating Manuals

CouncilBiz have supplied Operating Manuals for the TechOne System and contractually under obligation to support our system.

7.4 System Integrity

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 recover from either a system failure or potential disaster situation can always be performed.

7.5 Internal Checks

Suspense accounts are checked and investigation of why the amounts have been placed in the suspense accounts is performed. If it is user error, the appropriate corrections are made and the reason of the data entry error is determined and corrective measures are implemented to ensure the integrity of future transactions.

If the error is a system error, then further investigation is performed. The system is maintained by CouncilBiz and their assistance may be required to determine the source of the system problem. Once determined measures to prevent future transactions of this nature are to be implemented and the original error must be corrected.

Total of internal Allocations is zero.

Control accounts are to be reconciled with their individual "Sub Ledgers". The main control accounts involve Accounts Receivable, Accounts Payable, Payroll, Assets, Fleet, and Rates.

7.6 System Backup

The entire Authority database is fully backed up overnight. The system is backed up nightly (Monday to Friday) on an off-site server. This process is outsourced to CouncilBiz.

8 Policies, Procedures and Delegations

All funds through which the Council controls resources to carry on its functions are recorded in the financial statements as defined in Local Government Act, Australian Accounting Standards Board, and the Tax Act.

The financial statements are prepared in accordance with the legislation as following:

- the Northern Territory Local Government Act(2008);
- the Northern Territory Local Government (Administration) Regulations
- the Northern Territory Local Government (Accounting) Regulations
- the Australian Accounting Standards

Related Financial Policies of Roper Gulf Regional Council are as follows:

- FIN001 Financial Delegation Manual
- FIN002 Debt Collection Policy
- FIN003 Purchasing and Payment Policy
- FIN005 Corporate Credit Card Policy
- FIN007 Fraud Protection Policy
- FIN008 Rating Policy
- FIN009 Asset Disposal Policy
- FIN010 Borrowing Policy
- FIN011 Investment Policy
- FIN012 Revenue Growth and Financial Sustainability Policy
- FIN013 Petty Cash Policy

Related Human Resource Policies of Roper Gulf Regional Council are as follows:

- Human Resources Employee Handbook
- HR001 Employee and Contractor Code of Conduct
- HR002 Bullying and Harassment Policy
- HR003 Employee Discipline Policy
- HR004 Recruitment and Selection Policy
- HR005 Confidentiality and Privacy Policy
- HR006 Working with Children Certificate
- HR007 Study Leave Policy
- HR008 Off-site Workers Policy
- HR009 Volunteer Policy
- HR010 Visa Policy
- HR011 Leave Policy
- HR012 Employee Training and Development Policy
- WS002 Smoke Free Policy
- WS003 Work Health and Safety Policy
- WS007 Drug and Alcohol Policy
- WS008 Emergency Evacuation Policy

Related Administrative /Operational Policies of Roper Gulf Regional Council are as follows:

- ADM003 Complaints Policy
- ADM004 Cultural Business Policy
- ADM005 Communication Policy
- ADM006 Computer Usage Policy
- ADM007 Mobile Phone Policy

- ADM008 Travel Policy for Councillors and Employees
- ADM009 Vehicle Use Policy
- ADM010 Media Policy
- ADM011 Conflict of Interest Policy
- ADM012 Organisational Delegations Manual
- ADM013 Social Media Policy

Related Council Member Policies of Roper Gulf Regional Council are as follows:

- CL001 Code of Conduct – Elected Members
- CL002 Member Disciplinary Policy
- CL003 Gift Policy – Elected Members
- CL006 Councillor Allowance Policy
- CL007 Caretaker Policy

Related Contracts and Technical Services Policies of Roper Gulf Regional Council are as follows:

- Fleet Procurement and Allocation Policy
- Asset Management Policy

Related Local Authorities of Roper Gulf Regional Council are as follows:

- RGRC Local Authority Policy
- Local Authority Meeting Procedures Policy

8.1 Charts of Accounts Structure

The Roper Gulf Regional Council uses TechOne to record of all accounting transactions. The structure of the account numbers is 11 digits as xx.xx.xxx.xxxx. The digits will define the location, service, activity and natural account. The natural accounts define the account type being asset, liability, equity, income or expenditure. Each natural account is assigned a natural account type and it is the natural accounts that will form the basis of filtering all data for reporting. The activity and service components will allow further categorisation of the accounts.

For reporting purposes accounts are defined as follows:

Statement of Financial Position

Locations = all, Service = all, Activity = all

Natural Account Type	Natural Account	Category for Statement of Financial Position	Natural Account
ASSET	4000-5999	Current Assets	4000-4999
		Non-current Assets	5000-5999
LIABILITY	6000-7999	Current Liabilities	6000-6999
		Non Current Liabilities	7000-7999
EQUITY	8000-9999	Surplus/Deficit	8000-8999
		Current Year Earnings	1000-3999
		Suspense	9000-9999

Income Statement

Locations = all, Service = all, Activity = all

Natural Account Type	Natural Account	Category	Natural Account
INCOME	1000-1999	Rates and Annual Charges	1100-1199
		User Charges and Fees	1200-1299
		Interest Revenue	1400-1499
		Grants and Contributions	1300-1399
			1500-1599 1800-1899
		Other Revenue	1600-1699 1700-1799 1980-1999
	Net Profit/Loss on disposal of Assets	1900-1979	
EXPENSE	2000-3999	Employee Costs	2000-2199
		Materials and Contracts	2200-2399
		Finance Costs	2700-2799
		Depreciation and Amortisation	2400-2499
		Other Expenses	2500-2699

8.2 Definition of 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. Assets include physical assets which provide future economic benefits for more than 12 months. Any item which has a life of less than 12 months is expensed under a maintenance or operational budget and cannot be classed as an Asset.

8.3 Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition including architect's fees, engineering fees and all other costs incurred in preparing the asset ready for use. Non-monetary assets received in the form of grants or donations are recognised as assets and revenues at their fair value at the date of receipt. Capital works still in progress at balance date are recognised as other non-current assets (under Works In Progress) and transferred to infrastructure, property, plant & equipment when completed ready for use. Non-monetary assets received in the form of grants or donations are recognised as assets (under works in progress) and transferred to infrastructure, property, plant & equipment when completed ready for use.

8.4 Revaluation of Non-current Assets

The re-valuation of assets will be conducted by a Certified Practising Valuer. The method of valuation will be undertaken on the basis of Fair Value in accordance with Accounting Standard AASB 116.

After recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period (Warren 2011).

8.5 Depreciation of Non-Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets. Land is not a depreciable asset.

Depreciation is calculated on a straight-line basis, using rates that are reviewed each reporting period.

• Buildings	20 years
• Other Structures/Playgrounds	20 years
• Vehicles	5 years
• Fixtures, Fittings & Office Equip	5 years
• Plant, Machine & Equipment	5 years
• Mobile Buildings	10 years
• Infrastructure	20 years
• Road	20 years

8.6 Materiality and Capitalisation Thresholds

Expenditure, or other transactions, which result in the creation of future economic benefits which are controlled by Council are to be capitalised when cost of acquisition exceeds the materiality threshold of:

- For plant and equipment - \$5,000; or
- Buildings and other structures - \$5,000.

Acquisition costs of assets which total less than \$5,000 for plant and equipment and less than \$5,000 for Buildings and other structures will be treated as operating expenses. Assets should have a useful life of greater than one year in order for the expenditure to be capitalised.

Small, immaterial expenditure with benefits unlikely to last for 12 months are expensed. Relatively large, material expenditure with the benefits to last for more than 12 months are capitalised. The threshold limits are defined in physical terms for infrastructure assets.

8.7 Disposal of Assets

When an asset is sold and its selling price varies from the carrying amount in Council'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. If an asset is disposed before it has been fully depreciated, the carrying amount represents a loss on disposal and will be expensed. 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. 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.

8.8 Maintenance, Repairs and Operating Costs.

Maintenance, repair costs and minor renewals are charged to expenses as incurred. Maintenance are actions taken to ensure that the asset or component achieves its original intended useful life at its desired service levels standards. Cleaning carpets; painting buildings and bridges; and clearing drains are examples of maintenance. A similar principle applies to minor repairs such as treating cracking in spray seals or repairing a lift. Similarly the cost of operating an asset is not capitalised but expensed when it is incurred. The cost of staff to run a facility; fuel and power; and the cost of routine inspections are examples of operating cost.

8.9 Recoverable Amount of Non-current Assets

The recoverable amount of an asset is the net amount expected to be recovered through the net cash inflows arising from its continued use and subsequent disposal. Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is revalued to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. To the extent that the revaluation decrement reverses a revaluation increment previously credited to, and still included in the balance of, the asset revaluation reserve, the decrement is debited directly to that reserve. Otherwise the decrement is recognised as an expense in the profit and loss account.

The recoverable amount test does not apply to the Council as the service potential of its non-current assets are primarily related to the provision of goods and services rather than the generation of net cash flows.

8.10 Employee Entitlements

8.10.1 Wages/Salaries and Annual Leave

Liabilities for wages and salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

Council staffs are paid fortnightly in arrears through Council's electronic banking system.

8.10.2 Long Service Leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is also given to expected future

wage and salary levels, experience of employee departures and periods of service. The amount expected to be paid to employees within the next twelve months is recognised as a current liability in the Balance Sheet.

8.10.3 Payment of Salaries and Allowances

Payment of Salaries and Wages Procedure Records will be maintained in relation to all employees of Council showing:

- Hours worked and rate of pay
- Gross salary or wages
- Tax and details of all other payments and deductions
- Sick, annual, long service and other leave available and taken
- Allocation of time worked on jobs
- Superannuation deductions
- Salary Sacrifice/Packaging

Superannuation

The RGRC will make superannuation contributions in accordance with the Superannuation Guarantee Administration Act 1992 and the superannuation Guarantee Charge Act 1992 during the term of the Employee's employment.

At the request of the Employee, the Local Government may from time to time vary the amount of the Employee's contributions towards superannuation by way of salary sacrifice and any variation will result in a lower cash component being paid.

Superannuation contributions will be made into the complying fund of the Employee's choice, with the default fund being Local Super fund.

Fringe Benefit Tax

The Local Government shall pay any liability with respect to fringe benefits tax incurred as a result of the benefits provided in individual Contracts, or the ordinary carrying out of Local Government business by way of functions or travelling.

8.11 Allowances for Councillors

As provisioned by the Local Government Act, a Member of the council shall be entitled to be paid an allowance at the rate fixed by the council for the relevant financial year. The allowances for each financial year shall be fixed as part of the council's budget.

The allowances for Mayors, Deputy Mayors and Councillors are different as they recognise the different roles, contributions and demands between these positions. Elected members are eligible for several types of allowance:

- Base allowance – covers those activities required of an elected member in the performance of his or her role as an elected representative;
- Electoral allowance – to assist elected members with electoral matters;
- Extra meeting allowance and Professional development allowance – payable to elected members to attend appropriate and relevant conferences or training courses.

Elected members are to be paid a base allowance and electoral allowance on a monthly basis. The extra meeting allowance and professional development allowance are claimable. The extra meeting allowance is claimable only for those meetings declared by the council as a meeting that attracts extra meeting. When attending courses or conferences for professional development, ordinary elected members can claim for the cost of the training and associated expenses as a professional development allowance.

Councillors shall be personally responsible for paying taxes on their allowances. At the end of every financial year all councillors will get a tax statement of allowance.

Travel Allowance: A council member is entitled to payment or reimbursement of reasonable expenses for travel and accommodation necessary for attending a meeting of the council, a local Authority or a council committee or for attending to business of the council in accordance with a prior resolution of the council.

8.12 Investments

Investments are valued at cost. Interest revenues are recognised as they accrue. Investments are made in accordance with Section 121 of the NT Local Government Act. The Council shall follow RGSC FIN011 Investment policy for performing investment activities. The Council must approve all investment of Council funds.

8.13 Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets (finance leases), and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is established at its fair value at the inception of the lease. The liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense. Operating leases are treated as expenses. Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are charged to the operating statement in the periods in which they are incurred. All forms of borrowing are made in accordance with Section 123 of the Local Government Act.

8.14 Rates, Government Grants, Donations and other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured. A liability is only recognised in respect of granted assets if there is an obligation to disperse future economic benefits to the grantor.

In the case of outstanding rates payment, the Council will apply to register an overriding statutory charge over land after rates have been in arrears for at least 6 months. Section 173 of Local Government Act has enabled Council the power to sell land for non-payment of rates if rates have been in arrears for at least 3 years, and an overriding statutory charge securing liability for the rates has been registered for at least the last six months. Council intends to invoke Section 173 when it is legally able to.

The Council's Debt Collection Policy FIN002 outlines the Councils debt collection regime.

8.15 Finance Committee

The Finance Committee shall operate as per the Terms of Reference of Roper Gulf Regional Council Finance Committee as resolved by the Council. The Terms of Reference

can be found in Appendix I. The Committees primary role is defined by the functions and responsibilities assigned to it by Council.

Functions of Finance Committee

Under the control and direction of the Council, the Finance and Audit Committee will:

1. Ensure the annual budget is aligned with the Business Plan.
2. Monitor and report on financial performance against the annual budget and the Business Plan.
3. Receive and review the monthly financial reports.
4. Formulate strategies to improve Roper Gulf Regional Council's financial position.
5. Make financial decisions on behalf of Council when the matter cannot be held over until the next ordinary Council meeting.
6. Act as the Audit Committee.

Responsibilities

1. Review the monthly income and expenditure reports, monitor progress against the budget and provide advice to Council on implications of these.
2. Approve adjustments to budget and re-allocation of resources.
3. Review and accept or reject Program Funding Agreements or any other offers of funding.
4. Consider and make appropriate recommendations to Council on any matters having a significant financial impact on Roper Gulf Regional Council.
5. Advise Council on the short, medium and long term financial implications of Roper Gulf Regional Council's Business Plan and any sub-plans.
6. At least annually, advise Council about the adequacy of Roper Gulf Regional Council's insurance coverage.
7. On a regular basis, review the financial investments of Roper Gulf Regional Council.
8. At least annually, review Roper Gulf Regional Council's borrowing program.
9. Review financial delegations and policies at least annually.
10. To advise Council on the level of allowances to be paid to Councillors.
11. Review and determine action for any other financial documents that need to be dealt with prior to the next ordinary Council meeting.
12. Work with CEO and Finance Manager to develop the annual budget, ensure it aligns with the Business Plan and present it to Council for adoption.
13. Approve the awarding of any tenders or major contracts.
14. Recommend fees and charges to be made by Roper Gulf Regional Council.
15. Decide which applications for financial aid made to Roper Gulf Regional Council will be supported.
16. Contribute to the preparation of the annual financial statements.
17. Review the annual audited financial statement and auditor's report and recommend any necessary follow-up.
18. Ensure there is an adequate internal control system, including a fraud protection plan, to minimise financial risk.
19. Exercise any general authority delegated by Council.
20. Deal with any tasks that have been delegated from a previous Council meeting.
21. Consider any matters referred by the CEO or the Council.
22. Deal with urgent, non-controversial and non-sensitive matters that cannot wait until the next Council meeting by making an executive decision.
23. Deal with urgent and sensitive or urgent and controversial issues that cannot wait until the next Council meeting by:
 - Discussing and making a resolution
 - Recording how each Finance Committee member votes

- Directing the Mayor, Deputy Mayor or CEO as appropriate to contact other Council members out of session for their vote on the issue. A time limit may be set for this.
 - A decision by the majority of Elected Members for or against the resolution shall be taken as a decision of the Council regardless of whether or not all Elected Members were contacted.
24. Monitor compliance with proper standards of financial management.
 25. Monitor compliance with Local Government (Accounting) Regulations and the Accounting Standards.

8.16 Audit Committee

Functions of Audit Committee

Ensure Councils compliance with legislation, regulations, guidelines, statutory requirements and policies including internal delegations.

Responsibilities

1. Review and make recommendations in respect to Councils financial performance
2. Review and Monitor Councils compliance with legislation, regulations, guidelines, statutory requirements and policies including internal delegations.
3. Review and make recommendations in respect to Councils annual independent audit report.
4. Review and make recommendations in respect to councils annual independent audit management letter
5. Review council resolutions to ensure they comply with the NT Local Government Act, Regulations, Guidelines

8.17 Fraud Protection Policy, Controls, and Mitigation

As part of Council’s strategy to minimise the potential for fraud, the Council has adopted FIN007 Fraud Protection Policy. Council have authorised particular financial functions and tasks to council staff to ensure continuity of day-to-day operational financial tasks. The authorisations are documented in the Financial Delegations Manual FIN001. All delegations involving financial authorisation must be approved by way of Council resolution. FIN007 Fraud Protection Policy and the HR003 Employee Disciplinary Policy outline the Council’s stance if a breach of policy occurs.

Roper Gulf Regional Council considers fraud to be a serious offence and that all employees have an obligation to ensure strong and effective fraud control. The Roper Gulf Regional Council will endeavour to:

- Reduce losses through fraud by developing and implementing financial and operating asset protection procedures
- Foster a working environment which promotes honesty and integrity
- Be committed to detecting, investigating and prosecuting individual cases of criminal behaviour, including fraud.

8.17.1 Mitigation Strategies

Risk Area	Mitigation Strategy
Unauthorised Withdrawals	<ul style="list-style-type: none"> • Cheques require two authorised signatures. • Electronic transfers require two authorised digital signatures through the CBA electronic calculator and password • Bank reconciliations – the bank accounts are

Risk Area	Mitigation Strategy
	reconciled on a weekly basis.
Misuse of Credit Cards	<ul style="list-style-type: none"> • The use of credit cards is in accordance with authorisation limits in FIN001 The Financial Delegations Manual. • Credit Cards are reconciled on a monthly basis. • FIN005 Corporate Credit Card Policy outlines the parameters for use of Corporate Credit Cards
Unauthorised Access to Control System	<ul style="list-style-type: none"> • System integrity checks. • Log and access report checks. • Passwords change every 28 days and any user that has not changed their password will be automatically locked out.
Unauthorised Purchase Approval	<ul style="list-style-type: none"> • Financial Delegations Manual defines the authorisation levels which are then set in the TechOne Finance System so that Purchase Orders are raised and approved only by those authorised to do so. • FIN003 Purchasing and Payment Policy stipulates that purchase orders must be raised to authorise a supplier to supply goods and services to Roper Gulf Regional Council. The Purchase Order will allow suppliers the knowledge that if a PO is raised then the person making the order has the authority to do so. • Unauthorised purchases will not be paid for. • Suppliers have been advised of this Policy
Cancellation of Access	<ul style="list-style-type: none"> • Ensure that staff are removed when they are no longer in a position with Financial Authority. • A cross check of the person, position, and authorisation code in the TechOne System is performed manually. • Ensure that keys are returned when a person is not longer in a position that requires them. • Key allocation is recorded in a key register. • When an employee changes position the following occurs: Individual to be assigned the position in the HR module as well as re-assignment of the appropriate security and authorisation codes in the TechOne System
Unauthorised Travel Claims	<ul style="list-style-type: none"> • Travel allowance payments are not to be processed without authorisation from the employee's Manager, Director, or CEO/ • Travel must be for the purpose of Roper Gulf Regional Council business.
Unethical behaviour	<ul style="list-style-type: none"> • HR001 Employee and Contractor Code of Conduct • CL001 Code of Conduct – Elected Members

Roper Gulf Regional Council is committed to protecting its revenue, expenditure and property from any attempt, either by members of the public, contractors, elected members or its own employees, to gain by deceit, financial or other benefits. Vigilance in preventing fraudulent activities assists in protecting the integrity, security and reputation of the Council and its employees, and in promoting high-quality and cost-effective levels of services to the Council's constituent communities. Roper Gulf Regional Council believes that an emphasis on fraud prevention rather than fraud investigation will lead to a reduction of potential incidents.

8.17.2 Internal Invoices (Internal Allocations)

Internal invoices are to be calculated on an ex GST basis. An internal invoice request form is completed and then the allocations are made.

Internal Allocations will involve:

- Step 1: Request for work
- Step 2: Work approved
- Step 3: Work Completed
- Step 4: Work verified and allocation approved
- Step 5: Internal Invoice Raised and submitted to Finance for processing.
- Step 6: Internal allocation made

8.18 Credit Cards

The persons as authorised by the FIN001 Financial Delegation Manual may maintain Council owned credit cards.

- The corporate credit card recipient must comply with the conditions of use as set out in the "Credit Card Agreement" and "Acknowledgement by Cardholders" that must be signed before the card is issued. This document details limits on usage and conditions relating to documents required to support credit card transactions.
- Accounts Payable Officer receives statements and distributes to cardholders.
- The cardholder will ensure that a satisfactory description of the goods purchased is on the sale docket/tax invoice and the invoice is coded to the general ledger account accordingly
- Credit card expenditure must be signed by both the card holder and Director/CEO as well as supported by the appropriate documentation and be submitted to the Accounts Payable Officer for reconciliation with the statement of account.
- Accounts Payable Officer checks statements against invoices and processes payment.
- The use of a credit card for cash withdrawals is prohibited.
- The cardholder will not permit use of the card by another person except for work related expenses incurred with prior approval.
- For Fringe Benefit Tax (FBT) purposes, hospitality or entertainment payments which are charged on the credit card must be accompanied by information such as the reason for the function, the number of internal staff and the total number of people attendant at the function.
- Where a credit card is lost or stolen, the cardholder must immediately report to the Bank for cancellation.
- Any staff member who does not comply with the conditions of use, will have the cards withdrawn & may be subject to disciplinary action.
- The cardholder must return the card should they cease to be an employee of Roper Gulf Regional Council or when so directed by the CEO.

8.19 Electronic Funds Transfer

- Invoice matched to Purchase order/account by Accounts Payable Officer
- Invoice checked for GST legality in accordance with Council GST Manual
- Invoices payable certified for payment by Team Leader or Finance Manager
- Invoices payable approved funds release by two authorised people
- Commonwealth Bank electronic banking system used to complete EFT
- First Authorisation and Second Authorisation is required.

8.19.1 Cheque Payment

As per EFT only cheques are signed by two approved signatories.

8.19.2 Receipt of Funds

All Service Delivery Centres (SDCs) except Manyallaluk and Bulman have been equipped with EFTPOS machines. To reduce the exposure to risk, cash is not accepted at any of these facilities except Mataranka. The Council's office in Katherine does not accept cash payments and has an EFTPOS machine available for easy payment direct into the Council's operating bank account. Funds received shall be recorded by an entry for each individual transaction and the payer shall be issued with a receipt upon request. The receipt record shall indicate the mode of payment, i.e. cheque, cash, EFTPOS etc. Receipts shall be issued in numerical sequence. Cheques and payment authorisations received through the mail will be forwarded to the Finance Officer for banking, processing and receipting.

8.19.3 Banking

Monies received by an officer or employee of Council must be paid into an authorised deposit account and banked as soon as practicable on or after the day of receipt. Detailed records of Council's banking activities must be kept and if there is an IT failure a manual receipting procedure should be used. Banking shall be reconciled with receipts. In the intervening periods between banking, funds received will be deposited in the safe.

8.19.4 Bank Account Authorisations

Bank accounts will be operated exclusively for the purpose of conducting Council business.

A minimum of two authorised bank signatories are required to authorise disbursements from bank accounts. Those presently approved:

Chief Executive Officer
All Directors
Finance Manager

All accounts will be in the name of Roper Gulf Regional Council. New accounts can only be opened with the approval of the Chief Executive Officer and Director of Corporate Governance.

Bank reconciliation for each bank account operated by Council shall be prepared weekly and the monthly cashflow reconciliation will be presented to Council. Transactional banking is presently carried out through Commonwealth Bank.

Electronic Banking Transactions require the electronic authorisation of a minimum of two of the authorised signatories. Those who have current electronic authorisation are:

CEO
All Directors
Finance Manager

Although the Council's delegation of these responsibilities is to the position, it is the individual that gains the access with the external stakeholder. Hence the individuals ability to authorise must be terminated if the individual no longer holds the position that has the delegated authority and responsibility. It is the Finance Manager's responsibility to ensure that these changes occur to reduce the organisation's risk exposure.

8.19.5 Financial Delegation

Financial Delegation is approved through resolution by Council only. Delegations are by position and not by individual person. A person ceases to have the delegation allocated to them under a particular position if they no longer hold that position. Refer to FIN001 Financial Delegation Manual for further details of the Council's delegations.

8.19.6 Distributions of Indirect Costs

Internal allocations to distribute indirect costs to the activity for which they occur are made on a monthly basis. The distribution of indirect costs to agency programs will be made if the costs incurred were associated with the particular program. Other indirect charge percentages such as the project management charge are approved annually.

9 Purchasing

9.1 Purchasing Process Summary

The purpose of this summary is to provide an overview of the processes for purchasing, including financial considerations, for a purchase order to be raised. Goods and Services will be obtained by use of an electronic purchasing system or credit card.

Official Council Purchase Orders will be:

- 1) Approved by an officer with authority to incur expenditure on behalf of council (refer Financial Delegation Manual)
- 2) Retained electronically on the system

The employees who hold the positions listed in Financial Delegation Manual have delegated authority to sign purchase orders for the purchase of goods and services on behalf of Council. Before the purchase order is authorised it is to include an estimate of the cost of the goods and services so ordered, and the appropriate general ledger account number for costing purposes. When exercising purchasing delegation the following

requirements must be observed in accordance with Section 28 of the Local Government (Accounting) Regulations.

Goods and Services	
Less than \$ 10,000	Authorised person does not require quotes
Between \$10,000 and \$99,999	Authorised person requires a minimum of three written quotes to be signed off by Director and kept on file. The Director shall certify if it is impractical to obtain three written quotations.
Greater than \$100,000	Authorised person is required to call for tenders by public notice.

The Directors of Roper Gulf Regional Council have the responsibility to ensure that this procedure is adhered to. This responsibility shall not be delegated to a subordinate. This procedure must be implemented in conjunction with the following references:

- 1) Northern Territory of Australia Local Government (Accounting) Regulations
- 2) Roper Gulf Regional Council Financial Delegations
- 3) Roper Gulf Regional Council Adopted Estimates/Long Term Financial Plan

Ethical Behaviour

- 1) Council officers involved in procurement should act in an ethical way
- 2) Ethical behaviour encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency
- 3) In pursuit of ethical behaviour, officers will:
 - Disclose to the appropriate senior officer any possible conflict of interest in the purchasing activity
 - Deal with all suppliers in an honest, fair and even-handed manner
 - Respect all in-confidence information received and not use it for persona gain, or to prejudice fair and open competition
 - Not accept money, goods, loans, credits, purchasing incentives, services or prejudiced discounts
 - Not use Council’s name or purchasing power to make purchases other than for Council use

In addition to the above policies the following principles will be applied:

- 1) Decentralised purchasing model controlled by Directors and CEO
- 2) Application of Local Government (Accounting) Regulations – Delegation
- 3) Budget comparison – funds availability check
- 4) Council shall adopt a “buy local first” philosophy to ensure that local industry has every opportunity to bid and supply if competitive
- 5) In addition, Council shall consider, as part of any value for money decision, the benefits of purchasing goods and services from local suppliers.
- 6) Administrative procedures to support Council’s Purchasing policy should be designed to contribute to cost effectiveness and operational efficiency

SOP112 – Creating a Purchase Requisition is a step by step guide detailing how a Purchase Order is created. Further refinement of procedures in support of the

Council's policies should be designed to contribute to cost effectiveness and operational efficiency.

10 Council Registers

The following table contains a list of registers and the responsible officer.

Register	Responsible Officer
Financial Delegations Manual	Finance Manager
Common Seal Register	Governance Manager
Minutes of Council Meetings	Governance Manager
Register of Council Elections	Governance Manager
Register of Authorised Officers	Governance Manager
Register of Interests	Governance Manager
Assets Register	Assets Manager
Council Resolutions Register	Governance Manager
Council Mail Register	EA to CEO
Council Infringement Notice Register	Governance Manager
Council Member Asset Allocation Register	Governance Manager
Council By-Laws Register	Governance Manager
Policy Register	Governance Manager
SOP Register	Governance Manager
Complaints Register	Governance Manager

11 References

Andrew Warren AAPI Certified Practising Valuer Licensed Valuer No. 44485 (WA), Australian Valuation Office, Darwin.

Australian Accounting Standards Board (AASB)

Local Government Act (2008)

Merit Partners Chartered Accountant Independent Auditors Report 2011

Roper Gulf Regional Council General Purpose Financial Report for the year ended 30 June 2011

12 Appendix

12.1 Appendix I – Roper Gulf Regional Council Finance Committee Terms of Reference

Rationale for establishment

Under section 11 of the Local Government (Accounting) Regulations it is stated that 'if a council is not required to hold an ordinary meeting at least once in each month, the council must appoint a committee and delegate to the committee the necessary powers to carry out, on behalf of the council, financial functions of the council in the months the council does not hold an ordinary meeting'. Roper Gulf Regional Council holds an ordinary Council meeting every second month and has set up a Finance Committee to carry out financial functions in the alternate month, thus meeting its obligations under the Act.

Functions of Finance Committee

1. Under the control and direction of the Council, the Finance Committee will:
2. Ensure the annual budget is aligned with the Business Plan.
3. Monitor and report on financial performance against the annual budget and the Business Plan.
4. Receive and review the monthly financial reports.
5. Formulate strategies to improve Roper Gulf Regional Council's financial position.
6. Make financial decisions on behalf of Council when the matter cannot be held over until the next ordinary Council meeting.
- 7.

Responsibilities

1. Review the monthly income and expenditure reports, monitor progress against the budget and provide advice to Council on implications of these.
2. Approve adjustments to budget and re-allocation of resources.
3. Review and accept or reject Program Funding Agreements or any other offers of funding.
4. Consider and make appropriate recommendations to Council on any matters having a significant financial impact on Roper Gulf Regional Council.
5. Advise Council on the short, medium and long term financial implications of Roper Gulf Regional Council's Business Plan and any sub-plans.
6. At least annually, advise Council about the adequacy of Roper Gulf Regional Council's insurance coverage.
7. On a regular basis, review the financial investments of Roper Gulf Regional Council.
8. At least annually, review Roper Gulf Regional's borrowing program.
9. Review financial delegations and policies at least annually.
10. To advise Council on the level of allowances to be paid to Councillors.
11. Review and determine action for any other financial documents that need to be dealt with prior to the next ordinary Council meeting.
12. Work with CEO and Finance Manager to develop the annual budget, ensure it aligns with the Business Plan and present it to Council for adoption.
13. Approve the awarding of any tenders or major contracts.
14. Recommend fees and charges to be made by Roper Gulf Regional Council.
15. Decide which applications for financial aid made to Roper Gulf Regional Council will be supported.
16. Contribute to the preparation of the annual financial statements.
17. Review the annual audited financial statement and auditor's report and recommend any necessary follow-up.
18. Ensure there is an adequate internal control system, including a fraud protection plan, to minimise financial risk.

19. Exercise any general authority delegated by Council.
20. Deal with any tasks that have been delegated from a previous Council meeting.
21. Consider any matters referred by the CEO or the Council.
22. Deal with urgent, non-controversial and non-sensitive matters that cannot wait until the next Council meeting by making an executive decision.
23. Deal with urgent and sensitive or urgent and controversial issues that cannot wait until the next Council meeting by:
 - Discussing and making a resolution
 - Recording how each Finance Committee member votes
 - Directing the Mayor, Deputy Mayor or CEO as appropriate to contact other Council members out of session for their vote on the issue. A time limit may be set for this.
 - A decision by the majority of Elected Members for or against the resolution shall be taken as a decision of the Council regardless of whether or not all Elected Members were contacted.
24. Monitor compliance with proper standards of financial management.
25. Monitor compliance with Local Government (Accounting) Regulations and the Accounting Standards.

Limitations

If an issue involves expenditure of \$500,000 or more that is in variance to the budget, the Finance and Audit Committee must make a recommendation to the next ordinary Council Meeting.

If an issue involves expenditure of \$500,000 or more, but is urgent and cannot be held over until the next ordinary Council Meeting, the Finance and Audit Committee will make a recommendation, record how each member of the Committee votes on the recommendation and direct the Mayor/Deputy Mayor or CEO as appropriate to contact other Council members out of session for their vote on the issue.

Membership

Members of this Committee include the Mayor or Deputy Mayor, three other Councillors appointed by Council and an Independent Member appointed by Council. The CEO or delegate and the Finance Manager are *ex officio* members.

Quorum

A quorum for the Finance and Audit Committee is three members and must include the Mayor/Deputy Mayor.

Chair

The Mayor/Deputy Mayor will chair the Finance Committee.

Proxies

In order to ensure continuity and a useful level of knowledge and experience, Finance Committee members are not permitted to send proxies to the meeting. The exceptions are the Mayor/Deputy Mayor, who may act as proxies for each other on the Finance Committee.

Term of office

The term of office is for the Local Government electoral term. A newly elected Council will appoint a new Finance and Audit Committee. Should a Councillor be re-elected, he/she may serve multiple terms on the Finance and Audit Committee if appointed by Council. A newly elected Council may choose to re-appoint a former Independent Member if they wish.

Self-review

At least once a year, the Finance and Audit Committee will devote part of the meeting to reviewing its own processes and outcomes of the preceding year.

Timing and mode of meetings

The Finance and Audit Committee will meet in the months between ordinary Council meetings. Meetings can be held face-to-face, by teleconference, by videoconference or by a mixture of any of these.

Minutes

Minutes must be kept of the decisions and actions of the Finance and Audit Committee. Minutes will be taken by the Executive Assistant or other delegated staff member.

Reporting

The minutes of the Finance Committee will be tabled at the next Council Meeting for confirmation.

12.2 Appendix II – FIN007 Fraud Protection Policy

The Council has adopted a FIN007 Fraud Protection Policy as follows:

Purpose

Roper Gulf Regional Council is committed to protecting its revenue, expenditure and property from any attempt, either by members of the public, contractors, elected members or its own employees, to gain by deceit, financial or other benefits. Vigilance in preventing fraudulent activities assists in protecting the integrity, security and reputation of the Council and its employees, and in promoting high-quality and cost-effective levels of services to the Council's constituent communities. Roper Gulf Regional Council believes that an emphasis on fraud prevention rather than fraud investigation will lead to a reduction of potential incidents.

Organisational Scope

This Policy relates to all elected members, employees, and contractors irrespective of position or length of service.

Policy Statement

Roper Gulf Regional Council considers fraud to be a serious offence and that all employees have an obligation to ensure strong and effective fraud control. The Roper Gulf Regional Council will endeavour to:

- Reduce losses through fraud by developing and implementing financial and operating asset protection procedures
- Foster a working environment which promotes honesty and integrity
- Be committed to detecting, investigating and prosecuting individual cases of criminal behaviour, including fraud.

Fraudulent acts against Council are unacceptable, may constitute a criminal offence and may be legally prosecuted. Prompt action needs to be taken when fraudulent activity is detected. This will assist in preventing fraud both by bringing the fraudulent activity to an end, and to discourage the future actions of others who may be inclined to commit similar conduct. Transparency is the foundation of public accountability and organisational fraud prevention.

Definitions

'Fraud': For the purpose of this Plan, fraud against Council is described as: "The wilful misuse of Council's resources or using one's position and power for personal gain."

- A basic test for fraud could include the following questions:
- Was benefit gained through deceit?
- Was the action illegal?
- Did the action result in money or other benefits being received by a person to which he or she was not entitled?
- Was there a deliberate attempt to gain benefit from an action to which that person was not entitled?

Theft: Theft means being the dishonest appropriation of the Council's property with intent to deprive the Council of it permanently.

Corruption means the use of bribery, fraud or the irregular alteration and or distortion of records to conceal and/or misappropriate assets of the Council.

Whistle blowing means action by an employee to disclose malpractice in the form of irregularity, wrong-doing or serious failures of standards at work.

Principles

Council Expectations

Asset protection and fraud prevention goes beyond monitoring the effectiveness of financial controls. It also requires maintaining an ethical climate which encourages all staff to be active in protecting Council's funds and assets, and in reporting any breaches of accepted standards.

Council expects its elected members and staff to maintain a high standard of ethical conduct in all activities, in particular with respect to Council resources, information and authority. The community rightly expects Council to conduct its business in a fair and honest manner.

Council management (including Chief Executive Officer, Managers and Supervisors) is expected to play a leadership role in promoting fraud prevention and ethical behaviour, and is responsible for:

- fostering an environment within their areas of responsibility which makes asset protection a responsibility of all staff
- issuing clear standards and developing and implementing procedures to minimise the potential for fraud.

All staffs are expected to develop, encourage, insist upon and implement sound financial, legal and ethical decision making within their responsibility levels. Measures to prevent fraud will be continually monitored, reviewed and developed.

Council's Code of Conduct guides members and staff in what is accepted practice and behaviour and sets out ethical standards at a level above the law. Council expects all staff to be familiar with and act in accordance with Council's Code of Conduct. Unacceptable behaviours and guidelines for appropriate behaviour for staff are contained in the Code. Council expects similar standards from the people, agencies or organisations that do business with Council.

The Mayor and elected members are expected to comply with the Code of Conduct. Decision making processes are to be as open and public as possible.

Fraud Prevention

The Roper Gulf Regional Council believes that an emphasis on fraud prevention rather than fraud investigation will lead to a reduction of these opportunities. Preventative measures include the pre-employment screening, and information and technology security systems thereby reducing the potential for opportunistic fraud.

Upholding Roper Gulf Regional Council's values and code of conduct is central to the Council's fraud prevention. However in the event that these values and ethics are not upheld, the public and staff need to understand that fraudulent acts against Council are unacceptable and may constitute a criminal offence which may be prosecuted. Any effective asset protection strategy must recognise that prompt action needs to be taken when fraud is detected, both to bring the fraud to an end and to discourage others who may be inclined to commit similar conduct.

Promotion of Fraud Prevention

The promotion of the Fraud Prevention Policy may include activities such as:

- Training awareness seminars
- Development and implementation of procedures and policies across all operational and financial activities of the Regional
- Regular review and promotion of Council's Code of Conduct
- Encouragement of anti-fraud reporting processes, and
- Immediate investigative and/or disciplinary action taken against all reported fraudulent activities.

Authorised Delegations

The FIN001 Financial Delegations Manual has been approved by Council and all amendments to this manual must be approved by Council. The Financial Delegations Manual lists all financial authorisations associated with positions in Roper Gulf Regional Council. It also expresses the limits of these authorisations qualitatively and quantitatively.

The electronic Financial Management System (Technology One) allows for the limits on authorizations associated with position allocated to employees. The signing of cheques requires dual signatures and the electronic banking requires two authorizations. The Financial Delegations Manual defines the authorizing positions.

Investigation

The Chief Executive Officer has over-riding responsibility for the investigation of suspected fraud within Roper Gulf Regional Council. If the matter involves the Chief Executive Officer the investigation will be managed by the Council. It is a requirement of this policy that all elected members and employees report any suspected fraudulent behaviour and assist with any investigation if required.

The Reporting Procedure

1. Suspected or known fraudulent activity shall be reported to a Director or the Chief Executive Officer. If the employee has reason to believe that their Director may be involved, the employee shall notify the Chief Executive Officer.
2. Directors shall communicate any suspected or known fraudulent act to the Chief Executive Officer. The Chief Executive Officer may initiate internal investigative actions of the suspected act.
3. Directors shall:
 - take no action without consulting the Chief Executive Officer,
 - recommend an appropriate temporary disciplinary action when there is evidence of wrong-doing, and if suspension or termination is recommended, consult with the Human Resources Department.
4. All participants in a fraud investigation shall keep the details and results of the investigation confidential.
5. No person acting on behalf of the Roper Gulf Regional Council shall dismiss or threaten to dismiss an employee; discipline or suspend or threaten to discipline or suspend an employee, impose any penalty upon an employee; or intimidate or coerce an employee because the employee has reported suspected fraud. Any violation of this section may result in disciplinary action up to and including termination of employment.
6. Reports by the public of suspected fraud will be immediately referred to the Chief Executive Officer.

Protection of Whistle Blowers

1. An employee who suspects or reports suspected dishonest activity or any such activity witnessed may remain anonymous should he/she so require.

2. No person will suffer any penalty or retribution for good faith reporting of any suspected or actual incident of fraud.
3. All managers should discourage employees or other parties from making allegations, which are false and made with malicious intentions. Deliberate false allegations with the intent to disrupt or cause harm to another may be subject to disciplinary action up to and including termination of employment.

Corrective Actions and Discipline

Appropriate and timely action will be taken against those proven to have committed a fraudulent act. The form of action taken will depend on the level and circumstances of each case. The form of action may include, but not limited to:

1. Disciplinary action (where the Council elects to take corrective or disciplinary action, it will proceed under the procedures in place under policy or under the enterprise bargaining agreement).
2. Restitution for all losses, including investigation and legal expenses, to the fullest extent of the law.
3. Forwarding information to the appropriate authorities for criminal prosecution.
4. Institution of civil action to recover losses.

Confidentiality

All investigations will be conducted in confidence. The name or names of those communicating information about fraudulent activity and the name or names of those suspected of fraudulent activity will only be revealed when required by law in conjunction with the investigation or legal action.

Police Involvement

The involvement of Police in investigating suspected fraud will be at the discretion of the Chief Executive Officer. However fraudulent behaviour is a criminal act and maybe subject to legal action under the Criminal Code (NT).

Media

All media enquiries will be referred to the Chief Executive Officer. At no point is an employee to broadcast or communicate RGSC business with the media unless sanctioned by the Chief Executive Officer.

12.3 Appendix III – List of Engaged Auditors

List of Engaged Auditors

Financial Year End	Appointed Auditor
30 June 2008	Merit Partners Chartered Accountants
30 June 2009	Merit Partners Chartered Accountants
30 June 2010	Merit Partners Chartered Accountants
30 June 2011	Merit Partners Chartered Accountants
30 June 2012	Merit Partners Chartered Accountants
30 June 2013	Merit Partners Chartered Accountants