

## CTS002 – Commercial Commitments Policy

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### 1. POLICY CERTIFICATION

Policy title:	<b>Commercial Commitments Policy</b>
Policy number:	<b>CTS002</b>
Category:	<b>Council Policy</b>
Classification:	<b>Contracts</b>
Link to Strategic Plan Goals:	Goal 1: Strong Leadership through Good Governance. Strong Financial Management, Corporate Planning and Operational Support
Link to Strategic Plan Strategy:	Goal 2: To ensure that the Council remains resilient and prepared
Link to Business Plan Strategy:	Goal 1: Achieve strong Corporate Governance
Status:	Approved

### 2. PURPOSE

This Policy affirms Roper Gulf Regional Council’s commitment to legislative compliance, transparency, integrity by formalising the process by which the Organisation enters into any commercial responsibility such as Contractual Agreements, Memorandums of Understanding and other agreements with third parties.

### 3. ORGANISATIONAL SCOPE

This policy applies to all Roper Gulf Regional Council (RGRC) staff who are negotiating commercial agreements, supply contracts or memorandums of understanding with third parties on behalf of RGRC.

### 4. POLICY STATEMENT

RGRC is committed to meeting its Part 5 *Local Government (Accounting) Regulations* obligations for comprehensive and accurate accounting records. Part of this commitment involves comprehensive records of all contractual and agreement activities with third parties.

All RGRC agreements with third parties which involve financial transactions are to be recorded in sufficient detail so as to provide a comprehensive audit trail thus facilitating strong accounting, and best corporate governance practices, thereby promoting the principles of integrity and transparency.

### 5. DEFINITIONS

Agreement	An undertaking for co-operation, corroboration, exchange of goods and/or services between two (2) or more parties.
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Audit Trail	Documentary evidence of agreements and transactions enabling auditors to monitor, track, and account for financial transactions against the delivery schedule of goods and services
Contract	A legally binding promise or agreement between two (2) or more parties by which one (1) party agrees to provides goods and/or services to the other. It is not legally binding as a contract unless the requirements for contract formation, including consideration and certainty of agreement, are satisfied, and it is formally adopted by all parties.
CEO	Chief Executive Officer
RGRC	Roper Gulf Regional Council
Memorandum of Understanding	An agreement between two (2) or more parties for co-operation towards a common goal or purpose. Will generally include details of each party’s obligations, and provision for review against relevant timeframes.

**6. PRINCIPLES**

RGRC is committed to upholding its legal obligations as well as the principles of integrity and transparency. To this end, all agreements with third parties must be negotiated and entered into in consistent, documented, and transparent manner.

All RGRC staff members who are negotiating contracts, agreements, or memorandums of understanding (MoU) with third parties must use Council approved templates, and ensure that the draft documents contain information to the standard and quantum specified by the templates.

All RGRC staff members who negotiate contracts, agreements, or MoUs must ensure that they understand and comply with the FIN001 Financial Delegations Manual and the GOV012 Organisational Delegations Manual.

All draft contracts, agreements, and MoUs must be forwarded to the Governance and Corporate Planning business unit for review and will require approval from the Director of Corporate Governance before coming into effect.

Council must be informed of all new contracts, agreements and MoUs. Matters which require a Common Seal must be presented before Council, and be approved by Council Resolution before the CEO can authorise them into effect.

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Any breaches of this policy will be investigated in accordance with the Breach of Policy Standard Operating Procedure and may result in disciplinary action.

Contracts, agreements, or MoUs negotiated and entered into in a manner which is inconsistent with this policy may be unauthorised and thus considered to be invalid.

### 7. REFERENCES

Acknowledgements (original author/source documents)	Butterworths' <i>Concise Australian Legal Dictionary – Third Edition</i>
Related Policies	<ul style="list-style-type: none"> <li>• FIN001 Financial Delegations Manual</li> <li>• GOV012 Organisational Delegations Manual</li> <li>• 102-231 Breach of Policy Standard Operating Procedure</li> </ul>
Related Publications	<ul style="list-style-type: none"> <li>• <i>Local Government Act</i></li> <li>• <i>Local Government (Accounting) Regulations</i></li> <li>• <i>Information Act</i></li> </ul>
Related Supporting Documents	Master Contract for Minor Works and Supply of Goods and Services.

### 8. DOCUMENT CONTROL

Policy Number	<b>CTS002</b>
Policy Owner	<b>Manager – Governance and Corporate Planning</b>
InfoXpert ID	<b>695126</b>
Approved By	<b>Council</b>
Approval Date	<b>12 July 2017</b>
Revisions	<b>Nil</b>
Amendments	Nil
Next revision due	<b>July 2020</b>

### 10. CONTACT PERSON

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