

POLICY

TITLE:	CASH HANDLING POLICY AND PROCEDURE		
DIVISION:	OPERATIONS		
ADOPTED BY:	CEO		
DATE OF ADOPTION:	26 April 2023	DATE OF REVIEW:	26 April 2028
POLICY NUMBER:	FIN08		
LEGISLATIVE REF:	<i>Local Government Act 2019, Local Government (General) Regulation 2021</i>		

THIS POLICY APPLIES TO: All Council employees

1. PURPOSE

This policy defines the actions and responsibility of Council Staff that are involved in receiving cash on behalf of Barkly Regional Council (BRC). This is receiving cash from external means on behalf of Council.

2. SCOPE

This policy applies to Council Staff who are involved in the receiving of cash for goods or services provided by Council as per the Schedule of Fees and Charges.

The scope of this policy covers the aspects that are associated with handling of cash, including handling, safeguarding and reporting of cash.

Where a cash receipting site is not able to comply with all the requirements of this policy (for example, due to limitations in system capabilities) this issue must be communicated with and formally approved by the Chief Financial Officer and other compensating controls must be established and documented.

With cash receipting sites throughout the region, each relevant manager in conjunction with the Chief Financial Officer, should ensure that the procedural manual is available to Council Staff and that all relevant Council Staff receive adequate training.

3. BACKGROUND

Council currently has designated cash collections sites throughout the region including:

- Ali Curung Council Office
- Alpururulam Council Office
- Ampilatwatja Council Office
- Arlparra Council Office
- Elliot Council Office
- Wutunugurra Council Office

On an as needs basis there may be situations requiring the establishment of temporary receipting points, which collect cash on an ad-hoc basis (eg. Festivals etc).

4. RESPONSIBILITIES

This policy defines the responsibilities of Council Staff involved in the handling of cash. Cash handling involves special control measures that must be monitored continually. Supervisory personnel within each department that maintains a cash receipting site to detect weakness.

The responsibility of Council staff who are involved in the handling of cash on behalf of Council and the relevant supervisors of these staff include;

- cash receipting;
- reconciling cash receipts;
- depositing of cash;
- safeguarding of cash;
- reporting of cash transactions and anomalies.

The cash handling (cashier) responsibility is incorporated in the day to day role of the Council Customer Service Officer.

The checking off for counting of the cash and reconciliation is incorporated in the day to day role of the Area Managers. Area Managers would normally be the secondary person checking off. If either the Customer Service Manager or Area Manager are away and no one is relieving in their role, the secondary for sign off on checking of cash and reconciliation is to be a Council Staff Level 4 or above.

5. CASH HANDLING FRAMEWORK

The elements of an effective cash handling process involves controls around receipting, reconciling depositing and safeguarding of cash as well as reporting of variances and anomalies.

5.1 Cash Receipting

Cash receipting, for the purpose of this policy, encompasses the following;

- Accounting for cash as it is received.
- Pre-numbered receipts to be provided for cash received.
- Adequate separation of duties (collection, depositing and reconciling).
- Refunds, voids and cash overs / shortfall transactions.

Note: Rate payments – Copy of rates notice and BRC receipt are to be sent to finance department immediately and marked as urgent. For priority processing. Rate payments should be banked as soon as reasonably possible.

5.1.1 Accounting for Cash as it is Received

Cash received at a cash receipting site must be entered immediately via the cash receipting system and placed into the Cash Handling cash tin.

Cheques received are to be receipted via the cash receipting system as soon as practical. All cheques received must be endorsed immediately (or as soon as practical) with the words 'not negotiable' across the front of the cheque.

EFTPOS transactions must be recorded concurrently with a corresponding entry in the cash receipting system.

Cash should not be received at any locations other than a designated cash receipting site without prior approval of the Chief Financial Officer. Where this is the case, the cash must be kept secure and as soon as practical, deposited into Council's designated cash receipting sites.

5.1.2 Pre-numbered Receipts to be provided for Cash Received.

Receipts must be issued for cash received at a cash receipting site.

Copies of the receipts are to be retained for reconciliation of cash received totals.

For those cash collection sites an official BRC manual receipt should be issued to the customer (these are available from the finance department).

The finance department will maintain a register of receipt books. All used receipt books must be returned to the finance department in order to obtain a new receipt book.

Note: EFTPOS transactions, send EFTPOS receipt, BRC manual receipt and any other documentary evidence (i.e. rates notice) through to the finance department on the same day as the transaction occurred.

5.1.3 Adequate Separation of Duties (collection, depositing and reconciling)

A clear separation of duties must be maintained at all times. The practice of maintaining clear separation of duties includes;

- Employees who are responsible for the collection of cash should not also be responsible for the banking of cash into Council's bank account. Where practical, different employees should not work simultaneously out of the same cash tin.
- If Staff member is going on leave, all cash should be counted and reconciled before handing the keys and responsibility to another staff member.
- Employees should not process/receipt their own transactions under any circumstance.
- Cash being counted for reconciliation needs to be checked off by a second person.
- All documents for reconciliation should be checked off by a second person.

5.1.4 Refunds, Void and Cash Discrepancies

All refunds, voids and cash discrepancies (additional cash / shortfall) transactions are to be authorised by the employee's supervisor – cash discrepancies occur where the physical cash holdings differ to the specified by the cash receipting system.

Three checklist have been provided (attachments 1,2, and 3) that may be used to assist with processes relating to refunds and cash discrepancies.

5.2 Transporting of Cash / Depositing of Cash

Prior to cash being transported to Tennant Creek.

- The cash needs to be counted by two separate staff members.
- The breakdown of the cash needs to be signed off by the two staff members and included in with the cash.
- The cash amount is to be filled into deposit book
- Copy of the deposit slip and reconciliation with receipts are to be emailed to the finance department.
- The cash and deposit book are taken in and deposited into the bank by a BRC Staff member, level 4 or above.

5.3 Safeguarding of Cash

The safeguarding of cash relates to the processing, storing and transporting of cash and also to the safekeeping of keys and safe combinations.

5.3.1 Processing of Cash

A secure area for processing and safeguarding funds received is to be used and restricted to authorised personnel. When cash is being counted by Council Staff it is to be conducted out of sight of the general public.

All cash income should be held in intact. Under no circumstances should deductions be made without the prior approval of the Chief Financial Officer.

Under no circumstances are personal or other cheques to be cashed with Council funds.

5.3.2 Storing of Cash

All cash and cheques are to be protected using a safe or other secure place until they are deposited. Where cash is kept in locked cash tin, the cash tin is to be kept out of sight at all times in a locked cabinet or drawer. Where cash has to be held in an office for any length of time, it should be stored in a safe, wherever that facility is available. The cash drawer or cash box must be closed immediately after completing the transaction.

5.3.3 Keys and safe Combinations

Keys to the cash box or safe should be given to a designated person, who should keep the keys secure and ensure that they are not left unsecured in the office overnight.

Sensible precaution should be taken to ensure that any room in which cash is regularly stored is locked when unaccompanied.

A register should also be kept that records the allocation of keys.

5.4 Reporting

Supervising officers should ensure that pathway variance reports, detailing refunds, voids and overs /shortfalls are provided to the Chief Financial Officer on a monthly basis. Any variance needs to be escalated to the Chief Financial Officer for review and sign off.

Such reports should provide information on the frequency of use of void, refunds and cash overs /shortfalls by each Council staff member at each location.

The original report should be copied and the copy is to be retained with the originating department for their record.

Where the variance relates to additional or shortfall of cash, an explanation should be provided on the report by the supervising officer, advising of the steps taken in attempt to prevent similar situations occurring in the future.

6. DEFINITIONS

Cash Handling – includes receipting, reconciling, issuing, depositing and safeguarding cash.

Supervising Officer – refers to the immediate supervisor of Council staff responsible for receipting of cash.

Cashier – An authorised employee of Council, employed to collect and receipt cash on behalf of Council or collects cash as part of their role.

Cash – Includes coins, notes, cheques, money orders, vouchers, and Electronic Funds Transfer Point of Sales (EFTPOS)

Cash Receipting Sites – a designated cash collection/ receipting area of Council.

Council Staff /Employees – Refers to permanent, part-time and casual employees as well as contractors or volunteers who are involved in cash handling.

EFTPOS – Includes the use of debit and credit cards (Visa or Mastercard)

Approved/Not Approved

Russell Anderson
A/Chief Executive Officer

26 / 4 /23