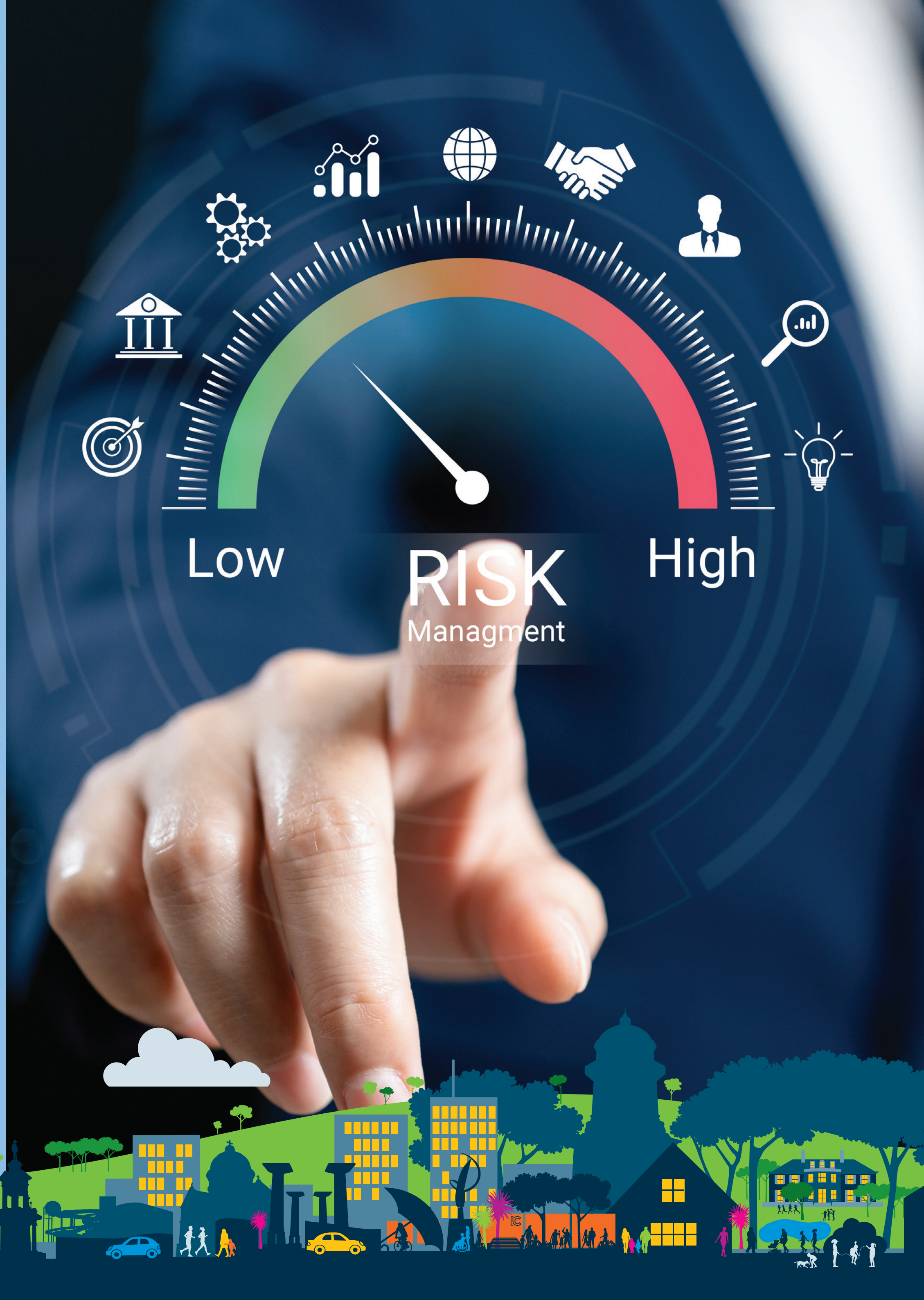
Invercargill
CITY COUNCIL

Financial Risk Management Policy



Introduction

This policy provides direction to Invercargill City Council (Council) Elected Members (as defined in the Invercargill City Council Code of Conduct, and includes appointed members to Council, Committees and sub-committees) and staff on financial management and processes related to:

- Sensitive expenditure
- Koha
- Gifts and benefits
- Credit card management
- Debtors' management
- Cash handling

The policy may be expanded in the future to include a wider number of relevant policies as such policies are reviewed and updated in due course.

Scope

For the avoidance of doubt, all aspects of this policy apply in full to both Elected Members and staff, unless otherwise stated. Elected Members should refer in the first instance to the Elected and Appointed Members Expenditure and Allowances Policy which covers all matters applicable only to their roles, and outlines those provisions which differ between Elected Members and staff.

As defined in the Invercargill City Council Code of Conduct, Elected Members includes those individuals declared to be elected to the Invercargill City Council as a Community Board Member, Councillor, or Mayor, and also appointed members to Council's Committees (for example, Mana Whenua Representatives, appointed members to the Risk and Assurance Committee, and appointments to any other Council Committees or sub-committees). Elected Members must at all times act in accordance with the Invercargill City Council Code of Conduct.

Staff includes all employees of Invercargill City Council and, unless expressly agreed otherwise in writing, this policy also applies to volunteers and contractors engaged in Council business. Staff must at all times act in accordance with the staff Code of Conduct.

The phrase "Council Representative" is used in this policy to refer collectively to the above groups of people.

Purpose

This policy covers the following areas of financial activity:

1. Sensitive expenditure: to manage all instances of sensitive expenditure by Council in order to reduce risk and align with recommended standards.
2. Koha: to provide a guide for the giving of koha in a manner which is culturally appropriate, and to promote transparency.
3. Gifts and benefits: to provide guidance around the giving and receiving of gifts, benefits, and hospitality in connection with Council business.
4. Credit card management: to ensure consistency and good governance in the use of credit cards by authorised users.
5. Debtors' management: to maximise cashflow and the collection of debt while managing debtors fairly and equitably.
6. Cash handling: to reduce risk and provide protections for staff involved in cash handling.

It is at all times the intention of Council to operate in a manner which is fair, reasonable, and transparent, and mindful of our obligations towards ratepayers and the public.

Failure to Comply

Failure to comply with any aspect of this policy will be investigated and may result in disciplinary action or proceedings under the Code of Conduct, and or may amount to fraud. See further Council's Fraud Policy.

Common Definitions

The following terms have these meanings throughout this policy:

Account	A person or company where payment terms are stipulated or a general ledger account.
Banking	Cash preparation and reconciliation for depositing with a bank.
Benefit	Non-tangible item of value offered over and above employment or contractual entitlements. It may include items such as sponsored travel, hospitality, loyalty bonus points, discounts, preferential treatment, invitations to events, cash, gift cards, and items that may be readily converted to cash.
Cash	Electronic and debit/credit card transactions and currency including notes and coins.
Cash Handling	Manual and electronic means of cashiering (cash, Eftpos and credit card), floats, banking preparation and reconciliation. See further section 6.

Cashier

Authorised Council staff responsible for receiving and receipting cash.

Conflict of Interest

Any situation in which private interest, or personal considerations, may affect an individual's judgement/ability to act prudently, impartially, ethically, or in direct relation to Council's corporate business. See also Council's Conflicts of Interest Policy.

Council

Means Invercargill City Council.

Council Representative

A Council Representative includes:

- Employees.
- Elected Members (as defined in the Invercargill City Council Code of Conduct).
- Any contractor or consultant who agrees to be covered by this Policy under the terms of their engagement.
- Temporary staff supplied through an agency.
- Seconded personnel.
- Volunteers.

Designated Site

Those premises and areas throughout Council that are recognised as being involved in cash handling and/or banking operations.

ELT

Means the Executive Leadership Team.

Gift

Tangible item of value offered over and above an employee's normal salary or employment entitlements. It may include items such as alcohol, food, flowers, electronic devices, kitchen equipment, books, and hampers. See further section 3.

Hospitality

The provision of meals, refreshments, and entertainment. Hospitality is a gift/benefit. It includes modest meals such as sandwiches, restaurant meals, coffee and tickets to events and functions, such as the movies, sporting events, awards nights, and the theatre. See further section 3.

Justifiable Business Purpose

A justifiable business purpose is one that furthers Council's business, relationships and interests. Council Representatives must be able to identify and, if necessary, explain the purpose.
Examples of where gifts or hospitality may have a justifiable business purpose are:

- Being invited to a business networking event
- Being hosted, and the host offers a Council Representative a small token of appreciation.

If it may be unclear on whether there is a justifiable business purpose or not, a Council Representative must:

- Err on the side of caution
- Contact People and Culture or their Manager (for Employees) or the Chief Executive or the Chair of the Risk and Assurance Committee (for Elected Members)
- When a Council Representative has clarified whether there is a justifiable business purpose, accept or refuse as appropriate, and declare the gift or hospitality. See further section 3.

Koha

Unconditional gifts, given and received within a Te Ao Māori context, which do not have taxation implications. Payments are not koha if they have taxation implications, such as:

- A payment for personal services- this creates and employer/employee relationship and as a result PAYE must be deducted;
- A payment for the provision of services or a fee for services- this is a business transaction, and the payment is treated by the Inland Revenue Department as taxable income to the beneficiary (e.g. guess speaker at a hui, volunteer or student helper, etc.);
- Any payment that is not an unconditional gift- all such payments are assessable for tax in one form or another (e.g. payment to a marae for venue hire and catering supplied).

See further section 2.

Receipt	The acknowledgment that Cash has been received by Council for a nominated account.
Receipting	A process to allocate Cash received by Council to a nominated debtor account or nominated general ledger account.

Approvals

Where approval is required for any expenditure, the following hierarchy of authority applies:

- For Council Group Managers: the Chief Executive
- For all other Council staff, including volunteers and contractors: the relevant Group Manager
- For the Chief Executive: the Mayor
- For all Elected Members: the Chief Executive
- For the Mayor: the Chair of the Risk and Assurance Committee.

Overview

For ease of use, this policy is divided into numbered sections. The scope of each section is clearly noted. This policy is supported by a number of procedures which may be updated from time to time. These are held by the relevant managers. This policy should be read in conjunction with other relevant Council policies, guides, and documents, including the Associated Documents listed in the Document Control section.

This policy will be published on www.icc.govt.nz and hard copies will be available on request.

Monitoring and Auditing

This policy will be monitored by the Group Manager Finance and Assurance, reporting to the Finance and Policy Committee (or its successor) where necessary. This policy is to be reviewed every six (6) years. The Group Manager Finance and Assurance has the delegated authority to update this policy from time to time to reflect changes in procedure.

Section 1: Sensitive Expenditure

1.1 Meaning

Sensitive expenditure is any spending by Council that could be seen to be giving some private benefit to Council Representatives, or which could be considered unusual for Council. Such expenditure will normally have one or more of the following attributes:

- Results in an actual or perceived private benefit;
- May be an unusual expenditure item for Council;
- Does not directly/clearly align with Council's core business purposes;
- Is likely to be difficult to justify to the public.
- May involve, or generate, an ethical or legal conflict of interest;
- May be considered an extravagant or immoderate expenditure.

Examples of sensitive expenditure include but are not limited to:

- Accommodation
- Travel expenses including parking
- Meals
- Hospitality

1.2 Principles

In authorising, incurring, or reimbursing sensitive expenditure, Council Representatives are required to strictly comply with the following core principles:

- To act with integrity and give regard to maintaining public confidence in Council, at all times.
- All decisions on sensitive expenditure must be:

  - Justifiable (directly and clearly aligned with, or linked to, Council’s corporate objectives and business purposes);
  - Impartial (based on objective criteria);
  - Transparent (openly disclosing the expenditure, willing to explain any spending decision and have such decision reviewed);
  - Principled (exercising power in a manner true to the values, purpose, and duties for which that power is held);
  - Moderate/conservative (reasonable cost options are preferred over more expensive ones);
  - Properly authorised.
- Except in relation to the exemption list held by the Finance Team, pre-approval in the form of a Purchase Order is required for all sensitive expenditure.
- All sensitive expenditure must be documented in accordance with the procedures outlined in the present policy.

1.3 Responsibilities

Compliance and familiarity with the provisions and principles outlined in the present policy is an organisation-wide responsibility. The Mayor, Chief Executive, and Executive Leadership Team shall ensure that:

- the core principles are systematically incorporated into Council’s organisational culture,
- regular training on relevant processes and norms is provided to all parties subject to the policy,
- new joiners are given the information as part of their general on-boarding,
- the policy is prominently available to Council Representatives.

1.4 Transparency measures

Regular reporting on sensitive expenditure is to be made to the Finance and Policy Committee (or its successor).

Valid, original GST-compliant invoices/receipts and other supporting documentation must be maintained/submitted for all sensitive expenditure. Credit card statements do not constitute adequate documentation for reimbursement. Expenditure under $200 requires supporting documentation (usually a receipt) but this needn't be a full GST receipt.

Where it is not clear from the documentation, all claims must clearly state:

- the business purpose of the expenditure
- who incurred the cost and
- a list of who the expenditure was for.

Items of expenditure that may not be justified under the principles of this policy should not be included as part of an employee's remuneration for the purposes of avoiding scrutiny against sensitive expenditure principles.

1.5 Reimbursement outside of pre-approval

Where approval for giving koha is required, refer to section 2 of this policy for further details.

If obtaining pre-approval is not practical, a detailed explanation of the circumstances must be attached to the invoice when submitted for payment. Council may not reimburse a claim if it does not comply with the principles of sensitive expenditure. Council Representatives should bear in mind that reimbursement is not guaranteed without pre-approval.

Any claims for reimbursement must be submitted promptly.

1.6 Travel and accommodation

1.6.1 Virtual attendance

If virtual attendance at a meeting or conference is an option then this should be considered first instead of travel in person. However, Council acknowledges that this will not be appropriate or desirable in every case.

1.6.2 Air travel

Air travel is to be booked at the earliest convenience to ensure the lowest cost, where applicable. Pre-approval is to be sought. Air travel is permitted to destinations within New Zealand and Australia. International travel to destinations beyond Australia requires the approval of Council.

In undertaking any air travel, economy class must be the first choice. In general, air travel with either business class or first class is prohibited, except in rare and exceptional circumstances where a clear, urgent, and direct link to Council's business purposes exists. In such cases prior permission from the relevant authority is required.

1.6.3 Airline loyalty reward

Provided the use of carriers supplying air points does not result in Council incurring additional costs, air point rewards accruing to Council Representatives carrying out their official duties may be kept by them.

1.6.4 Accommodation

The maximum amount permissible for the purpose of accommodation booking is $300 per night (including GST), where practicable. In choosing accommodation, the most cost- effective option is to be sought, given the circumstances. Where a preferred providers list exists, this must be used first. Where the cap is to be exceeded, an explanation must be submitted to the authorising party for pre-approval.

Additional entertainment or other sundry expenses will not be reimbursed. The cost of alcoholic beverages, including minibar expenses, will not be reimbursed. Such costs must also not be charged to the room. Cost of services essential to conducting Council business, such as Wi-Fi service, will be reimbursed.

Where an individual chooses to stay in private accommodation while on Council business, a reimbursement/gift to the host, up to the value of $60 per night, may be given if pre-approval has been obtained.

1.6.5 Meals and beverages

Actual meal and beverage costs may be reimbursed up to a maximum of $85 per day (including GST) in total. Claims for alcohol will not be reimbursed. Receipts must be provided for all claims. Separate meal expenses may not be claimed if a meal is provided as part of another package paid for by Council.

1.6.6 Rental vehicles

Rental vehicles are only to be used if it is impractical and/or inefficient to use a Council vehicle. In choosing a rental vehicle, the most economical and appropriate type and size of vehicle consistent with the requirements of the travel must be selected.

Where practicable, public modes of transport (e.g. buses, shuttles, etc.) are to be used. Individuals on Council business may use taxis, or rideshare alternatives, where it is cost-effective to do so. Receipts must be kept for all taxi or rideshare journeys. All use of taxi cards/chits are to be transparent with the purpose of each trip recorded on the account.

For provisions on use of Council vehicles, fuel cards, or personal vehicles while on Council business, refer to Council's Motor Vehicle Policy.

1.6.7 Tipping

Tipping within New Zealand will not be reimbursed. Appropriate and moderate tipping during international travel will be reimbursed only where tipping is an established local practice (e.g. in the United States).

1.6.8 Private arrangements and stopovers

Council Representatives may undertake private travel before, during, or at the end of Council business travel if proper authorisation is obtained, and if there is no additional cost to Council.

All additional costs that such private arrangements may incur must be covered by the individual.

Travel costs for accompanying spouses, partners, or other members of the family will not be reimbursed, unless in rare and exceptional circumstances where such attendance would directly relate to Council's business purpose. In such instances, pre-approval must first be obtained from the relevant authorising party. Council may seek reimbursement for any additional costs which arise as a result.

1.6.9 Entertainment and hospitality expenditure

Hospitality practices are to serve a clear business purpose, and may be used for:
- Relationship building
- Representing Council
- Recognising significant business achievement
- Reciprocity of hospitality, if a direct and clear business purpose exists.

In incurring and approving hospitality expenditures, special attention is to be paid to the principles of justifiability, moderation, and financial conservatism. All such expenditure must be appropriately pre-approved, where possible, and clearly and appropriately document the information below:

- Date
- Venue
- Costs
- Recipients
- Benefits derived
- Reason for the event

1.7 Goods and services expenditure

1.7.1 Disposal of surplus assets

The disposal of assets must be conducted in a manner that maximises return/benefit to Council. Any asset to be disposed of is to be valued on the open market. It is however recognised that there will be situations in which the time and cost involved in obtaining a valuation will outweigh the value of the asset, in which case this may be dispensed with.

The disposal of assets to Council Representatives must be approved by the Chief Executive. Approval may be given provided that assets are not sold at a discounted rate if a greater value could be realised by an alternative method of disposal.

Where Council is unable to sell or find alternative use for its assets, it is recognised that the more sustainable solution is to offer such assets to community groups or Council Representatives as opposed to physical disposal (e.g. via landfill). The Chief Executive's approval is required for such disposal.

1.7.2 Private use of Council assets

Generally speaking, Council owned assets are not to be used for personal or private use. The only exceptions to this are:

- Where otherwise agreed by contract (including in employment agreements)
- With the prior approval of the Chief Executive or a member of ELT
- To a reasonable extent with regards to communications technology, where this doesn't negatively impact the business of Council
- With regards to printers, which may be used for private purposes provided this is recorded. Reimbursement for such use may be sought.

1.7.3 Council use of private assets

Any reimbursement of Council usage of private assets must be pre-approved according to the hierarchy outlined under "Approvals" above. In assessing the request, the authorising party is to pay particular attention to the principles of justifiability, integrity, and impartiality.

Individuals must not approve or administer payments to themselves for Council's use of their private assets.

1.7.4 Private use of Council suppliers

Council generally does not support staff obtaining goods or services from a supplier through Council's discounted prices, or through Council's procurement process.

An exception to the rule is where discounted offers are available to all Council staff.

1.8 Other types of sensitive expenditure

1.8.1 Clothing

Other than official uniforms and health and safety-related clothing, staff will not be clothed at Council's expense when they are engaged in a normal business activity.

1.8.2 Social club contributions

The Council may make a prudent and conservative financial contribution to Council Staff Social Club. The contribution may be in the form of an all-purpose grant towards the club's annual budget, or it may be a grant or subsidy for a specific event.

1.8.3 Sponsorship of staff or others

Approval for sponsorship (including contra deals) is at the sole discretion of the Chief Executive or relevant Group Manager, for the purpose of achieving publicity for Council or its objectives, or for the purpose of organisational development. The decision must be fully compliant with the principles of this policy.

1.8.4 Employee recognition

For provisions on employee recognition including farewell and retirements of employees, length of service, and significant personal events, refer to the Employee Recognition Policy.

Section 2: Koha

2.1 Principles

Council recognises that it is necessary and appropriate to give koha from time to time. Council Representatives are to apply the following principles to all koha given:

- Koha will only be given as an unconditional gift, given and received within a Te Ao Māori cultural context;
- Koha can be used for any reasons that align with the purpose and definition of this policy; and
- The amount and type of koha will be appropriate to the occasion and relationship.

2.2 What is koha?

Koha is a Māori customary practice, concept and process and is an extremely important part of Māori culture. Koha is considered a treasure by Māori and may be either tangible or intangible. It can be a physical thing such as food, money, reciprocal activity, certain rights and privileges to resources, land, heirlooms, treasured items, or an intangible thing like a vision, thought, feeling, emotion, supernatural manifestation, concept, or idea.

Because koha is imbued with spirituality and cultural beliefs and practices, there is no clear-cut English translation and it has often wrongly been interpreted as a gift. The giving of koha acts to seal a relationship and is part of the protocol of reciprocation. To minimise any likelihood of causing offence through misunderstanding, it is incumbent upon those involved in giving koha to develop an in-depth understanding and empathy of the concept.

Koha is a 'Tikanga Māori' which means, according to the Resource Management Act 1991, a customary value and practice. In Section 39 part (2)(b) it states Tikanga Māori should be recognised where appropriate. Koha is also a Taonga which, according to the Resource Management Act 1991, means something that is highly prized. Article 2 of the Treaty of Waitangi acknowledges the term 'Taonga'. This acknowledgement confirms and guarantees the full, exclusive and undisturbed possession of taonga to Iwi and Hapu. Therefore, in certain situations it is up to Iwi and Hapu to declare when koha might be considered as Taonga.

Non-monetary examples of koha might include taonga, e.g. greenstone, carvings, kai (food), or resources readily available to Council (e.g., Staff time and expertise, use of vehicles, facilities or equipment).

2.3 Exclusions

Koha is not a payment for services that an individual or group has provided to or on behalf of Council, where terms or scope of activities are agreed in advance of the services being delivered.

Payments which are not considered koha will be managed in accordance with the sensitive expenditure policy above.

2.4 Deciding if koha is appropriate

In all instances, and especially if there is any doubt, it is good practice to consult directly with a Mana Whenua representative regarding the giving of koha.

- Koha is very dependent on the circumstances, including the occasion, the recipient and the location. See the Koha Guide for examples and further information.

If you are not representing Council, you may still choose to personally contribute koha.

2.5 How to give koha

Again, it is good practice to consult with a Mana Whenua representative to ensure that it is given in a way that is appropriate for the occasion.

2.6 Request for koha

Requests for koha are to be made in writing to Council Finance team and are approved by the Group Manager of the requesting activity/department. Requests should include an explanation of the circumstances and an acknowledgment of receipt where relevant.

Details of all koha provided will be recorded in the Koha Register maintained by the Council Finance team. In accordance with guidelines from the Office of Auditor General, it will specifically note the following details:

- Description of the occasion;
- That koha is approved in advance, at an appropriate level of authority; and
- That koha is clearly documented with the date, amount, description, and purpose clarified.

Preferred method of payment for koha will be via direct credit payment (remittance advice will be provided) or cash if more appropriate.

A retrospective reimbursement for koha already paid needs to be pre-approved by the Chief Executive as it was given in cash.

Any upcoming hui should be planned in advance where possible, and koha requested as per normal process set out above.

If payment is to be made in kind by providing a voucher or gift, this will be considered sensitive expenditure to be managed in accordance with the section of the policy above.

2.7 Receipt of koha

Koha offered to any Council Representative should be recorded in the Koha Register. Generally speaking, koha in the form of cash cannot be accepted, but other koha may be if it is of inexpensive monetary value. Larger or more significant koha may be accepted but this requires the approval of the Chief Executive or Council.

Section 3: Gifts and Benefits

3.1 Exclusions

This policy does not apply to gifts given between Council Representatives, genuine personal gifts, or benefits from friends and family which have no connection to the recipient acting within the scope of their employment or contractual relationship with Council.

3.2 General principles

Council Representatives must:

- Declare all gifts, benefits or hospitality (whether accepted or not) to their Manager or the Chief Executive (as appropriate) and ensure that every item is recorded on the gift register or the publicly available Register of Interests (as applicable).
- Not accept any gift where there is a conflict of interest (perceived or actual).
- Protect Council's reputation and consider how the acceptance or giving of a gift would look to a third party.
- Never accept or give gifts of cash, or cash like gifts or benefits (except in accordance with section 2 of this policy).
- Only accept or give gifts, benefits or hospitality when there is a justifiable business purpose for Council.
- Be prudent when spending money on gifts.
- Where possible, only consider accepting gifts up to the value of $50 (per individual recipient), and hospitality of a value estimated around $85 (per individual recipient), providing all criteria of this policy have been met.

3.3 Ethics and overarching framework

Council is obliged to safeguard and use its resources in a responsible manner. Furthermore, Council Representatives must guard against actual or perceived conflicts of interest in regard to the use of those resources.

Council expects all Council Representatives involved in making or approving expenditure on, or receiving on behalf of Council, gift or benefits:

- To do so only for Council purposes.
- To exercise professionalism.
- Not to derive personal financial gain.
- To act impartially.
- To ensure that expenditure is moderate and conservative in the context of the given situation.
- To have read and adhered to this and other relevant Council policies.

3.4 Receiving gifts, benefits, and hospitality

Any gift, benefit, or hospitality offered to Council Representatives must be declared through the relevant reporting process. If Council Representatives are unsure about the application of this policy, they should seek advice from their Manager or the Chief Executive, as appropriate, in the first instance. Examples of acceptable gifts, benefits, or hospitality to receive (if declared) are:

- Gifts openly distributed by suppliers and clients (e.g., pens, badges, and calendars).
- Gifts of a perishable nature (e.g., bouquets, baked goods less than $50).
- Gifts of nominal value (i.e., less than $50).
- Hospitality of a value estimated around $85.
- Tickets to sporting or cultural events.

The following must not be accepted and should be declined where possible:

- Cash or cash-like gifts or benefits (except in accordance with section 2 of this policy).
- Hospitality where there is a reasonable expectation that it will have value considerably greater than $85.
- Any gifts from a prospective supplier where you are part of the procurement process.

If a prohibited gift cannot be declined without giving offence to the donor, or is not offered in person (e.g., sent via mail), this should be declared through the reporting process and provided to the relevant Group Manager and is the property of Council, unless and until the ELT decide how the gift will be treated (e.g., donated, shared among employees or retained by the employee).

Any prizes received from a free competition entry obtained while undertaking Council business are to be declared and, if they are less than $50 in value, may be kept by the individual, otherwise they are the property of Council unless and until the ELT decide how the gift will be treated. Where receiving a prize could be perceived as inappropriate, even if Council rather than the individual would benefit from it, the prize should be declined.

Under no circumstances can gifts be exchanged for cash nor can goods, works and/or services be received, or seen to be received, by employees, their partners or family for private use.

3.5 Giving gifts or benefits

Authority is to be sought from the relevant person (refer to the Approval section above) prior to the purchase of gifts or benefits. Approval should only be given when the approver is satisfied that all the criteria of this policy are met and the expenditure is within pre-approved budgets. The giving of koha is to be managed in accordance with section 2 of this policy.

Refer to the Employee Recognition Policy for details relating to long service, leaving Council and special occasion/sympathy gifts including births, engagements, weddings, etc.

If a Manager is in doubt as to whether the proposed gift or benefit is appropriate in a Council context, and is not covered by this policy or the aforementioned guideline, they should consult the Chief Executive.

Council Representatives who consider there are grounds for enquiry in to inappropriate expenditure may advise their Manager or the Chief Executive immediately. Alternatively, disclosure may be made through any of the avenues outlined in the Protected Disclosures and Internal Complaints Policy, including under the Protected Disclosures (Protection of Whistleblowers) Act 2022.

Specific guidance will be provided to employees in higher risk roles relating to discretionary decision making and procurement.

3.6 Wellbeing and rewards

From time-to-time Managers may wish to provide gifts to staff as a wellbeing initiative or as a reward for exceptional work. In such instances, the gift may be in the form of a ticket, voucher, gift card, or discount for any Council run facility, venue, or event. Authority for this is to be sought from the relevant Group Manager, and the gift must be recorded on the gifts register.

3.7 Council bottom line expectations

Council Representatives must not:

- Accept a gift of cash of any amount or cash equivalents, such as gift vouchers or money cards, at any time, except in accordance with section 2 of this policy.
- Accept a gift or hospitality where there is no justifiable business purpose.
- Accept a gift, benefit, or hospitality which may be seen as inappropriate.

Section 4: Credit Card Management

4.1 Eligibility for and issue of Council credit cards

Council may issue credit cards to staff to enable them to undertake the payment of services required as part of their Council activities. The issue of credit cards to Elected Members is covered in the Elected Members Expenditure and Allowances Policy.

The Chief Executive is responsible for authorising the issue of credit cards. Group Managers recommend to the Chief Executive where the issue of a credit card is appropriate.

The Financial Services team shall issue credit cards and shall keep a list of cards issued, their maximum credit level, and cards' expiry dates.

Council credit cards are to be returned to the Financial Services team upon termination of employment, or at the conclusion of the purpose for which they were issued. In relation to staff, any personal transactions, or transactions which have a personal content, are to be identified and payment made prior to employment ceasing.

Where a credit card has been lost or stolen the card holder must inform the bank immediately, and inform Council's Financial Services team as soon as practicable. The Council Finance team will process all credit card cancellations.

The Chief Executive shall set the credit card limits for all card holders and authorise credit extensions where there are exceptional circumstances (e.g. overseas travel).

4.2 Use of Council credit cards

All purchases on Council credit cards shall be within the approved budget for that card holder’s area of responsibility, except under direction of the Chief Executive.

The Council’s credit cards are not to be used to obtain cash advances, except in an employment-related emergency. The card holder shall furnish detailed receipts for all payments made with the cash as well as any residual cash when the credit card statement is received.

Council credit cards may be used to remotely purchase goods and services for the organisation. Card holders are to keep a copy of any online order forms completed when purchasing. Purchases will only be from reputable companies known to Council.

Council credit cards must not be used for private expenditure or credit. There may, however, be occasions where a transaction contains some personal expenditure (e.g. partner’s accommodation and meals - refer to section 1 above). In such a circumstance, the personal expenditure is to be clearly identified on the statement and the amount repaid. If a private transaction is inadvertently placed on a Council credit card, reimbursement to Council is to be made within 20 working days upon receipt of the monthly statement.

For transactions to be accepted they must be accompanied by a full GST receipt. The exception is minor expenditure (under $200) where a GST receipt is not available. For these transactions, a receipt is still required but it needn’t be a GST receipt. Any transactions on the credit card that do not have supporting documentation may be charged to the card holder’s debtor’s account.

Upon receipt of the monthly statement, the card holder shall attach details of all transactions. Where transactions are wholly Council-related, they are to be coded to the appropriate expense code. Where transactions have a personal content, the Council-related portion is to be coded to the appropriate expense code and personal portion identified. A debtor’s invoice will then be raised for the personal expenditure and this is to be paid in full in accordance with section 5 below.

Transactions will be overseen and authorised in accordance with the Approvals hierarchy above.

Section 5: Debtors' Management

5.1 Exclusions

This section of the policy excludes rates-related debts and their collection.

5.2 Principles

Council must raise sufficient levels of revenue for the purpose of governance, administration, and the provision of services and facilities to the community.

To ensure the effective and efficient delivery of Council services to the community, good financial management requires the regular receipt and collection of funds from all individuals, organisations, businesses, and other parties who are indebted to Council.

5.3 Credit terms

Credit Terms are standardised and reviewed regularly. All Council statements will be subject to these terms unless otherwise specified.

5.4 Debt management

Council's Group Manager Finance and Assurance (or delegate as recorded in the Delegations Register) is responsible for debt management practices. This includes the issuing of monthly debtor statements, reviewing aged debtor reports, liaising with the Council division which issued the invoice, regular contact with the debtor as appropriate, and liaising with collection agencies.

5.5 Overdue accounts

If an invoice is not paid in full as per the agreed terms and conditions, interest may be charged on the balance in accordance with those terms. Interest will not be charged where an agreed repayment plan is in place and being fully met. Debts unpaid after three months are reviewed by the Group Manager Finance and Assurance (or delegate) and a decision made on recovery options.

5.6 Bad debts

Debts will be written off when all reasonable attempts at recovery have been taken. The following criteria will be considered in coming to that decision:

- The debtor is bankrupt.
- The debtor (company) is in liquidation and there is insufficient funds to meet our debt.
- The debtor is deceased and has no remaining assets.
- There is little or no likelihood of the debt being recovered.
- The costs associated with collecting the debt would be prohibitive.

All costs of collection and any recoveries beyond the initial invoice are retained by the Council Finance teams.

5.7 Delegated authority

Where the Chief Executive or the Group Managers are satisfied that no prospect of collection exists, or it is uneconomic to pursue the matter further, debts may be written off in accordance with the Delegations Register.

A register of write-offs will be maintained and be available for inspection at any time. A summary of this register is reported on regularly to the Finance and Policy Committee (or its successor).

In regard to debt recovery, staff should seek the prior approval of the Group Manager Finance and Assurance for negotiating limits whenever practicable. In circumstances where such prior approval is not practical, staff are to agree to the recovery of lesser costs or amounts when the cost of recovery is likely to outweigh the amount recovered.

Debtors will be expected to pay the costs of debt collection.

In instances where bad debts have been written off, the Group Manager Finance and Assurance will decide whether or not Council will continue to grant credit to the debtor.

Section 6: Cash Handling

6.1 Scope

This section of the policy applies to all Council Representatives who are tasked with handling cash and card transactions, and banking preparation, on behalf of Council, at all Council locations where cash is collected and where banking preparation occurs. The only exception to this is for those transactions undertaken on behalf of a third party where that third party has their own cash handling policies or procedures in place (such as Kiwibank, NZ Post or Lotto NZ).

6.2 Overview

Council must have adequate controls over cash collection and banking systems to ensure all income/revenue generated or cash held by Council is secure, identified, collected, receipted, and banked promptly. Council must ensure that suitable controls are in place to reduce the risk or misappropriation of funds. This section of the policy aims to reduce this risk and to protect all staff dealing with cash and banking preparation as part of their duties.

6.3 Purpose

This section of the policy ensures:

- All cash received by Council is fully accounted for, receipted and deposited to Council's bank account in an accurate and timely fashion;
- The provision for the safety of those staff handling cash, and the security of cash held at any Invercargill City Council operating location;
- Consistency in cash handling, minimise levels of cash held and banking preparation across all Council functions.

6.4 Policy principles

The cash handling and banking process begins when Council receives cash as payment for any good or service or by way of donation, and ends when the money is reconciled and in the bank. To enable Council to effectively and efficiently manage cash handling and banking, it is agreed that:

- Council will provide a safe working environment that supports the safety of staff and other individuals with cash handling and banking responsibilities;
- Wherever practicable, two members of staff must be present when cash is counted. Where this is not practicable, cash counting must be countersigned by a second person;
- Wherever practicable, two members of staff must be present when safes are opened. Where this is not practicable, an access log must be maintained, which will be checked periodically along with the contents of the safe;
- Only Council's appointed security collection agency may transport cash from Te Hīnaki Civic Building Customer Services to the nominated bank. Cash from other designated sites may be transported by Council's appointed security collection agency or by staff back to Te Hīnaki Civic Building Customer Services, in accordance with the relevant procedures;
- All floats will be held securely at a specified location and will be transported by staff or Council's appointed security collection agency (in accordance with the relevant procedures) to and from the events for which they are needed;
- The borrowing or taking of cash from any float or till for personal benefit is prohibited;
- All receipting/banking transactions must be reconciled on a daily basis by authorised Council staff responsible for receiving and receipting cash. Any discrepancies must be investigated by the Financial Services department within one working day of close of business, and any discrepancies must be accounted for the prescribed banking variance form;
- Any funds receipted to the suspense account should be cleared within 14 days of being put to the account;
- All cash received will be banked on the next working day's banking, unless prior arrangements have been made with the Financial Services department;
- We must offer the customer a receipt at the time the transaction takes place;
- Council will not accept card payments over the phone;

- All cash must be stored in a locked drawer, locked container or safe during the day. Cash must be locked in a safe or in a security cabinet (where no safe is available) at the close of day. A safe is required where amounts of cash over $500 are likely to be stored on the premises overnight;
- The amount of cash held overnight should be kept to a minimum;
- Counting of cash must be done away from customer view;
- Access to safes will be restricted to named roles only;
- Safe combination codes must be stored securely and changed regularly in accordance with relevant procedures;
- Safes are to be located away from customer view.

6.5 Roles and responsibilities

6.5.1 Customer Services teams (at each Designated Site)

- Develop and regularly maintain procedures for cash handling and banking including reviewing the level of cash taken and the controls supporting the volumes of cash;
- Adhere to the relevant procedures for moving cash from the designated site to the Te Hīnaki Civic Building Customer Services team. The Te Hīnaki Civic Building Customer Services team will only use the contracted Council security collection agency to collect and deliver daily banking between Te Hīnaki Civic Building and the nominated bank;
- Receipt payments;
- Retain financial records for seven years;
- Ensure cash is secure;
- Manage floats and donation boxes where relevant;
- Reconcile and balance sales and receipts records with banking daily (including weekends where relevant);
- Ensure manual banking summaries and supporting system generated sales reports are filed in Objective daily specific to location type;
- Investigate banking discrepancies within 24 hours;

- Induction for new sites and new cashiers;
- Adhere to the banking variance process;
- Resolve payment queries from internal and external customers in a timely manner.

6.5.2 Customer Services Team Leaders (at each Designated Site)

- Check and sign off daily banking reconciliations;
- Check and authorise banking variance forms;
- Ensure safe combination codes are changed regularly;
- Ensure manual banking summaries and supporting system generated sales reports are filed in Objective daily specific to location type, and ensure the two reports and the bank account balances;
- Ensure that banking variance forms are completed, authorised, and filed in Objective.

6.5.3 Financial Services Department

- Manage and reconcile all bank accounts;
- Assist with payment queries from internal and external customers in a timely manner;
- Provide the Customer Services Teams with electronic copies of daily banking statements to complete the receipting process;
- Maintain lists of designated sites, floats and where they are stored, locations and details of safes including approved roles with access.

6.5.4 Managers

The Manager – Customer Services, Manager – Financial Services, and Managers for each Designated Site will each be responsible for ensuring compliance with this section of the policy by their respective teams.

Document Control

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