District Council of Elliston
Policy

Finance
E034: Cash Handling

Signature	
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Person responsible for maintaining	Director, Business and Community

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1. Purpose

This Policy establishes the minimum requirements for receiving, receipting, safeguarding, reconciling, transporting and banking money collected by or on behalf of the District Council of Elliston (**Council**). It is intended to reduce the risk of loss, theft, fraud, error and harm to workers, while ensuring Council funds are completely and accurately recorded.

2. Scope

This Policy applies to all Council employees, volunteers, contractors, agents and other persons authorised to receive or handle money on Council's behalf, including at the principal office, tourism sites, Council facilities, waste or transfer sites, community events and temporary or off-site collection points.

It applies to:

- Australian notes and coins;
- cheques and other negotiable instruments, where accepted by Council;
- EFTPOS, credit card and other point-of-sale transactions;
- cash floats, petty cash and temporary event floats; and
- the preparation, custody, transport, deposit and reconciliation of takings.

Treasury management, investments, corporate purchasing cards and electronic accounts payable transactions are governed by separate Council policies and procedures, except where they form part of reconciling money received.

3. Definitions

Authorised Officer	A person authorised by Council or the Chief Executive Officer (**CEO**) to receive, hold, reconcile, transport or bank money.
Banking	The preparation, reconciliation, secure transport and deposit of Council takings into Council's approved bank account.
Cash	Australian notes and coins. For the broader control requirements in this Policy, references to money or receipts also include cheques and point-of-sale transactions.
Cash Float	A fixed amount of cash approved for providing change. A cash float is not income and must remain at its approved value.
Cash Handling	Any activity involving receiving, counting, recording, storing, reconciling, transferring, transporting or banking money, including point-of-sale transactions.
Custodian	The Authorised Officer assigned responsibility for a cash float, petty cash fund or collection point.
Designated Site	A Council location, facility, event or service approved to receive money.
Petty Cash	An approved imprest fund used only for low-value business purchases where another purchasing method is not practical.
Reconciliation	The documented comparison of money and transaction records against the financial system, receipts, EFTPOS settlement and approved float.
Takings	All money received during a defined period, excluding the approved cash float.

4. Policy principles

- Council will encourage electronic payment methods where reasonably available to reduce the volume of physical cash held and the associated security risk.
- All money received on Council's behalf belongs to Council and must be fully receipted, accurately recorded, safeguarded and banked intact.

- Cash handling responsibilities will be separated between officers wherever practicable. Where staffing levels do not allow full segregation, a documented compensating control and independent review must occur.
- Access to money, cash drawers, floats, safes, keys, combinations and transaction systems will be limited to Authorised Officers.
- The safety of employees, volunteers and members of the public takes priority over protecting cash or property.
- Every transaction, adjustment, transfer of custody and reconciliation must leave a clear and retrievable audit trail.

5. Responsibilities

Role	Responsibility
Council	Adopts this Policy and provides oversight through its Audit and Risk Committee.
Chief Executive Officer	Ensures appropriate systems, delegations, resources and controls are implemented; approves material exceptions and site-specific cash holding limits.
Director Business & Community	Owns and implements this Policy; approves cash collection points, floats and procedures; ensures reconciliations, reviews, training and corrective actions occur.
Managers and supervisors	Ensure local controls are documented, employees are trained, access is limited, discrepancies are escalated and required reviews are completed.
Finance employees	Maintain financial system controls and registers; review reconciliations; reconcile deposits and settlement reports; investigate exceptions; retain records.
Cashiers and custodians	Follow approved procedures; maintain security and custody; issue receipts; reconcile takings and floats; report discrepancies, incidents and control weaknesses immediately.
All workers, volunteers, contractors and agents	Protect Council money, comply with this Policy and immediately report suspected loss, theft, fraud, coercion or unsafe practices.

6. Authorised collection points and access

Money may only be collected at a Designated Site or through a method approved by the Director, Business & Community. Each ongoing collection point must have:

- an approved Custodian and sufficient trained relief officers;
- a documented local procedure proportionate to the value, frequency and location of collections;
- an approved float, cash holding limit and minimum banking frequency;
- secure cash storage and controlled access arrangements; and
- a method for recording custody transfers, reconciliations, discrepancies and banking.

Cash drawers and system logins must not be shared unless operationally necessary. Where custody changes during a shift, the money must be counted and the handover recorded by both officers. Keys, access cards, combinations and passwords must not be left unsecured or disclosed to unauthorised persons.

7. Receiving and receipting money

An official system-generated receipt must be issued at the time money is received. If the financial system is unavailable, a sequentially numbered manual receipt must be issued and the transaction entered into the financial system as soon as practicable, and no later than the next working day. The system entry must cross-reference the manual receipt.

The following requirements apply:

- the cashier must verify the amount tendered in the customer's presence and confirm any change provided;
- the receipt must identify the date, amount, payment method and purpose or account to which the payment relates;
- money received away from a financial system must be recorded in an approved collection register at the time of receipt and secured immediately;
- all manual receipt books, ticket stock and similar accountable documents must be sequentially numbered, controlled and retained, including voided copies;
- cash or cheques received by mail must be recorded promptly and transferred to an Authorised Officer for receipting;
- customer payments must not be used to cash personal or third-party cheques, provide advances, reimburse employees or make purchases; and
- cash must not be left unattended on counters or in public view and must be placed in the secured cash drawer immediately after the transaction.

8. Daily close and reconciliation

Each active till or collection point must be reconciled at the end of the operating day or shift. Where no transaction has occurred, a nil reconciliation is not required unless the local procedure specifies otherwise.

The person completing the reconciliation must:

- count money discreetly in a secure area away from public view (where possible);
- separate the approved float from takings;
- compare cash, cheques, EFTPOS totals and other receipts to the financial system or approved collection records;
- complete and sign the approved reconciliation record;
- record each overage or shortage separately; and
- secure the reconciled float and takings pending review and banking.

A person independent of the initial receipt or count must review and sign the reconciliation wherever practicable. If immediate independent review is not practicable because of staffing levels or location, the reconciliation and supporting records must be reviewed by Finance or the relevant manager by the next working day or as soon as records are received.

9. Cash floats

Cash floats may only be established, changed or closed with written approval from the Chief Executive Officer. Finance must maintain a register showing the location, approved value, purpose and Custodian of each float.

- A float must be used for providing change only and remain at its approved value.
- The Custodian is responsible for its security and reconciliation while in their custody.
- Float movements and changes of custody must be documented.
- Borrowing, personal use, IOUs, salary advances, employee reimbursements and cashing cheques from a float are prohibited.
- Floats must not be topped up from unrecorded takings or reduced to conceal a discrepancy.
- Floats that are no longer required must be returned to Finance, counted, receipted and removed from the register.
- Each float must be independently counted at least monthly and may be subject to unannounced spot counts.

10. Petty cash

Council may maintain petty cash only where operational need justifies it. The approved petty cash balance and Custodian must be recorded in the cash register. The maximum value of an individual petty cash

transaction is $100 (GST inclusive), unless a lower limit is set in an approved procedure. Transactions must not be split to avoid the limit.

- Petty cash may only be used for legitimate, low-value Council expenditure where another purchasing method is impractical.
- Payment requires an approved petty cash voucher and supporting tax invoice or receipt. Any missing evidence must be explained and approved by the Director Business & Community before reimbursement.
- The person approving the expenditure must not be the person receiving the reimbursement.
- Petty cash must not be used for wages, loans, private expenditure, recurring purchases, contractor payments, travel advances or items prohibited by another Council policy.
- Replenishment must be processed through Council's accounts payable system for the value of properly supported vouchers and must restore, not increase, the approved imprest balance.
- Petty cash must be reconciled whenever replenished and at least monthly, with independent review.

11. EFTPOS, card and electronic receipts

- Each officer must use their own authorised system access where the system supports individual logins.
- EFTPOS settlement totals must be reconciled to the financial system and merchant settlement records for each operating day.
- Cardholder information, security codes and full card numbers must not be written down, retained or transmitted outside approved systems.
- A refund must be returned to the original payment method wherever practicable and must never be processed to a different card or person without documented approval and verification.
- Chargebacks, rejected transactions and settlement differences must be referred to Finance and resolved promptly.
- Terminal access, supervisor functions, refund permissions and passwords must be restricted according to role.

12. Voids, reversals and refunds

Voids, reversals and refunds must be transparent, supported and authorised under Council's delegations and system access rules. They must not be used to conceal a cash difference or alter closed takings without review.

- The reason for the adjustment, original transaction reference, customer or account details and approving officer must be recorded.
- The officer authorising a reversal or refund should be independent of the original transaction wherever practicable.
- Cash refunds must not be paid from daily takings unless expressly authorised in an approved procedure and fully recorded.
- Cancelled or voided manual receipts must be retained with all copies intact and clearly marked as cancelled or void.

13. Safeguarding and storage

- Only Authorised Officers may access cash drawers, floats, safes and secured banking bags.
- Cash drawers must be locked when unattended. Overnight money must be stored in an approved safe or secure facility, out of public view.
- Safe keys and combinations must be controlled, changed when compromise is suspected and reviewed when an authorised person leaves or changes duties.
- Cash holdings must be kept as low as reasonably practicable and within the approved limit for the collection point.
- Money must never be left unsecured in an office, vehicle or private residence.
- The amount of cash held, storage arrangements, banking times and transport details must not be disclosed to members of the public or unauthorised persons.

14. Banking

Takings must be banked intact and as soon as reasonably practicable. Banking should occur daily where practicable, and otherwise at least weekly, or sooner when the cash holding limit approved for the site is reached. The Director, Business & Community may approve a different frequency for a remote or low-volume collection point following a documented risk assessment.

- The banking must agree to the reconciliation and deposit documentation before it leaves Council custody.
- Cash received must not be substituted, exchanged, withheld or used to fund expenditure before deposit.
- Tamper-evident or securely sealed banking bags must be used where available.
- Banking routes and times should be varied. Transport arrangements must be proportionate to the value and risk.
- Money must be transported directly to the approved deposit location and must not be left unattended or in a vehicle.
- Evidence of deposit must be returned promptly and matched by Finance to the relevant banking batch and bank statement.

15. Off-site collections and events

Before collecting money at an event or temporary location, the responsible manager must approve a proportionate written plan covering the collection method, float, Custodian, secure storage, receipting or ticket controls, reconciliation, transport and banking.

- Temporary floats must be issued and returned through Finance and acknowledged by the Custodian.
- Sequential tickets, registers or manual receipts must be controlled and reconciled to takings.
- Takings must be returned to an approved Council location and secured as soon as practicable after the activity.
- Where a contractor or community organisation collects money for Council, the written agreement must specify the same minimum accountability, reporting and remittance requirements.

16. Discrepancies, suspected counterfeit money and incidents

Every cash shortage, overage, missing receipt, unexplained transaction, lost key, security breach or suspected counterfeit note must be reported promptly to the relevant manager and Finance. Material or suspicious matters must be escalated immediately to the CEO.

- The officer must first re-count and check records, but must not alter a record or delay reporting to make the reconciliation balance.
- Employees must not replace a shortage from their own money or retain an overage. Differences must be recorded to the designated general ledger account pending investigation.
- Finance or the relevant manager must document the investigation, outcome, approval of any adjustment and required control improvement.
- Suspected fraud, theft or corruption must be managed under Council's relevant policies and statutory reporting obligations.
- Suspected counterfeit money must be handled in accordance with current police and banking guidance, without placing any person at risk.

17. Robbery, threat or personal safety incident

Personal safety is the first priority. A person confronted by a robbery, threat or demand for money should comply with reasonable directions, avoid confrontation, not pursue the offender, and contact emergency services when safe to do so. The incident must then be reported immediately to the CEO or relevant manager and managed under Council's work health and safety and incident reporting arrangements. Records and the scene should be preserved where safe and practicable.

18. Training and acknowledgement

A person must not undertake cash handling unsupervised until they have received training in this Policy, the applicable local procedure, system use, security arrangements, discrepancy reporting and emergency response. Refresher training must occur when procedures or systems change and periodically according to risk. Completion of training and policy acknowledgement must be recorded.

19. Monitoring, review and audit

- Finance will review completed reconciliations, deposits, settlement reports and exceptions at a frequency proportionate to risk.
- Independent and unannounced counts of floats and petty cash may be conducted at any time and must occur at least annually.
- Cash handling controls will be considered through Council's annual internal financial controls review and external audit processes.
- Managers must review site-specific procedures after an incident, material discrepancy, change in staffing or system, or identified control weakness.
- Control deficiencies and overdue corrective actions must be reported through Council's internal financial control and risk reporting arrangements.

20. Records management

Receipts, reconciliation records, banking records, EFTPOS settlement reports, registers, approvals, vouchers, investigation records, training records and other evidence created under this Policy are official Council records. They must be captured, protected, retained and disposed of in accordance with Council's Records Management Policy, the State Records Act 1997 and applicable General Disposal Schedules.

21. Non-compliance

Non-compliance may expose Council and its workers to financial loss, fraud, audit qualification and safety risks. Suspected or actual non-compliance will be investigated and may result in withdrawal of cash handling authority, additional controls, disciplinary action, recovery action or referral to an external authority, as appropriate. A person who identifies an inadvertent error is expected to report it promptly so it can be corrected and the control environment improved.

22. Exceptions

An exception to this Policy requires prior written approval from the CEO, supported by a documented risk assessment and compensating controls. An exception must be time-limited, recorded and reviewed. Legislative requirements and mandatory internal financial controls cannot be waived.

Related Legislation

This Policy supports Council's obligations to maintain appropriate internal financial controls, safeguard Council assets and maintain accurate and reliable records. It is to be read with the current versions of:

- Local Government Act 1999 (SA), particularly sections 99, 124, 125, 126 and 129;
- Local Government (Financial Management) Regulations 2011, particularly regulation 10A;
- Better Practice Model - Internal Financial Controls for South Australian Councils;
- State Records Act 1997 (SA) and applicable General Disposal Schedules;
- Council's Internal Financial Control Policy and risk-control documentation;
- Council's Procurement, Records Management, Fraud and Corruption Prevention, Work Health and Safety, and Treasury Management policies; and
- approved site-specific cash handling procedures and financial delegations.

Where an inconsistency arises, legislation and any mandatory financial control standard prevail.

DOCUMENT HISTORY				
Version	**Changes since last version**	**Approved by**	**Record No**	**Issue Date**
1.0	New	CEO		February 2019