



**WEST  
WIMMERA  
SHIRE COUNCIL**



*The best of country living*

# AUDIT AND RISK COMMITTEE CHARTER

## 1. Purpose

Section 53 of the *Local Government Act (2020)* (The Act) requires that each Council establish an Audit Committee. The Audit and Risk Committee is a formally appointed Advisory Committee of Council.

The Audit and Risk Committee's role is to report to Council and provide appropriate advice and recommendations relevant to its charter in order to facilitate decision-making by Council in relation to the discharge of its responsibilities. The Audit and Risk Committee plays a key role in assisting Council to fulfil its governance and overseeing responsibilities in relation to financial reporting, internal control, risk management systems, ethical accountability and the internal audit function.

The Audit and Risk Committee (The Committee) does not have executive powers or authority to implement actions in areas over which management has responsibility and does not have any delegated financial responsibility. The Committee does not have any management functions and is therefore independent of management. The Committee does not have any role in relation to issues normally addressed by Council or a sub-committee of Council, which may have delegated powers and financial management responsibilities in relation to budgets, financing decisions and expenditure priorities. The Committee is a separate activity and acts independently of Council and does not have any role in relation to financial management issues or have any executory role or powers.

The Committee is not a delegated committee under section 63 of The Act. It is established according to section 53 (1) of The Act.

## 2. Authority

The Committee is an advisory committee and has the responsibility for advising Council on:

- Providing appropriate advice to Council in relation to:
  - Governance and internal controls
  - Financial Reporting and compliance
  - Risk Management
  - Internal Audit
  - Ethics
  - Legislative compliance
- Review the investigation of and recommend internal control responses to any incidents of fraud detected within Council's operations
- Providing oversight and guidance to Council on Conflicts of Interest and Related Party transactions
- Seeking resolution on any disagreements between management and the external auditors on financial reporting.
- seeking information it requires from Council members, and Council staff via the Chief Executive officer and external parties; and  
Formally meeting with Council staff, internal and external auditors as necessary.
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## 3. Composition

The Audit and Risk Committee will consist of five members, comprised as follows:

- Two Councillors; and
- At least three suitably qualified independent representatives, one of whom will be appointed annually as Chair of the Committee.
  - At least one of the independent members should be financially literate with relevant experience and/or qualifications.

Council shall seek applications from suitably qualified and/or experienced candidates at the end of each term and as a casual vacancy arises. The Audit and Risk Committee members shall be appointed through a resolution by Council.

Independent members will be appointed for an initial term of three years, after which time they may be eligible for re-appointment following a formal review of their performance.

The Chief Executive Officer, Director Corporate and Community Services, and Finance Coordinator are not members, but should attend meetings in an advisory capacity. Council's Internal and External Auditors are to attend meetings as required to present their reports and findings in an advisory capacity. Other Senior Officers of Council may attend Audit Committee meetings on invitation by the Chair if the need arises.

## 4. Meetings

- The Committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require;
- All Committee members are expected to attend each meeting in person, or via teleconference or video conference;
- The Chief Executive Officer will facilitate the meetings of the Committee and invite members of management, auditors or others to attend meetings to provide information as necessary;
- Meeting agendas will be prepared and provided at least one week in advance to members, along with appropriate briefing materials;
- Management, including the Chief Executive Officer, may be asked to leave a meeting at any time should the Chairperson consider it appropriate;
- Minutes will be prepared and reported to Council at the next Forum and/or Council Meeting after the Audit and Risk Committee meeting; and to the Audit Committee in a timely manner; and
- Each meeting will require a quorum of three members of the Committee, two of whom should be independent members.

## 5. Responsibilities

The Audit and Risk Committee will carry out the following responsibilities:

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5.1 Monitoring financial and regulatory reporting, including:

5.25.1

- Scrutinising financial statements and providing advice to the Council.
- Monitoring compliance with Council policies, accounting policies and financial management compliance framework.
- Monitoring the adequacy of, and compliance with internal control systems.
- Reviewing the acceptability, disclosure and correct accounting treatment of significant and non-routine transactions.
- Reviewing related-party transactions.
- Meeting with the external auditors:
  - Prior to the annual audit to discuss the audit plan; and
  - Following the annual audit.
- To be informed and abreast of evolving compliance requirements.
- Sign-off on accounting policies.
- Financial reports provided to the Council will also be included with agenda papers for Committee meetings.
- To exercise Risk Management Principles in providing advice / recommendations regarding financial management.

5.2 Perform independent review and assessment of key risks by independent audit including:

- Develop, review, and recommend to Council a risk based internal audit program.
- Regularly review and approve the Internal Audit Charter.
- Managing the procurement, scope of works, performance and quality of internal audit service provision.
- Considering the scope, quality and findings of the external audit.
- Review relationships that may impact the internal and external auditor's independence.

5.3 Regular review of Council's Risk Management Policy and Risk Management Framework.

5.4 Review the adequacy of Council's Risk Register, associated internal controls and strategies to mitigate the risks, including:

- Monitoring the presence and effectiveness of internal controls.
- Monitoring the implementation of internal audit and external audit findings and associated management actions.
- Monitoring key risks and trigger events, including; prevention and investigation of fraud, ethical culture, protection of assets and insurance.

5.5 Ensuring that there is a suitable framework and process for compliance with legislation, regulations, standards, and best practice guidelines.

5.6 Monitor processes and practices of Council to ensure for effective business continuity.

5.7 In accordance with section 54(5) of The Act, the Audit and Risk Committee shall prepare a biannual audit and risk report that describes the activities of the Audit and

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Risk Committee and includes its findings and recommendations. This report must be provided to the Chief Executive Officer for tabling at the next Council meeting.

## 5.8 Other responsibilities:

- Deal with matters delegated by Council;
- Annually review the Audit Committee Charter and request Council approval for any proposed changes.
- Undertake an annual assessment of the Audit and Risk Committee's performance against the Audit and Risk Committee Charter. The assessment is to be tabled at the next Council meeting.
- In accordance with the Act, Committee members must declare any conflicts of interest at the start of each meeting and such details shall be appropriately minuted.
- In accordance with the Act, Committee members are to submit a primary and ordinary return in the prescribed form to the Chief Executive Officer within 30 days of becoming a member of The Committee; 30 June or within 40 days after 30 June; and 31 December or within 40 days after 31 December.
- In accordance with section 54(3) of the Act, the Audit and Risk Committee must adopt an annual work plan

## 6. Payment of members

- 6.1 Independent members shall be remunerated for attendance at all meetings. An exception to this shall be applied where an independent member is part of a reciprocal arrangement with another municipality. In this instance no payment shall be made.
- 6.2 The chair shall receive an additional 10% allowance over the allowance paid to other members.
- 6.3 The payment amount shall be indexed annually on 1 January by the immediately preceding December quarter Melbourne all groups CPI.
- 6.4 Payment shall be made via Council's Accounts Payable process upon receipt of an appropriate invoice from the member.

## Document control

<b>Author</b>	<b>Approver</b>	<b>Date approved</b>	<b>Version</b>	<b>Review date</b>
Andrea Gash	Council	19 December 2018	1	May 2019
Melanie Jordan	Council	15 April 2020	2	April 2021
Melanie Jordan	Council	18 June 2020	3	June 2021
Melanie Jordan	Council	16 December 2020	4	December 2021

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COUNCIL POLICY							
<b>COUNCIL EXPENSES POLICY</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Policy No:</td> <td></td> </tr> <tr> <td>Adopted by Council:</td> <td>19 Aug 2020</td> </tr> <tr> <td>Next review date:</td> <td>May 2021</td> </tr> </table>	Policy No:		Adopted by Council:	19 Aug 2020	Next review date:	May 2021
Policy No:							
Adopted by Council:	19 Aug 2020						
Next review date:	May 2021						
Senior Manager:	Director Corporate & Community Services						
Responsible Officer:	Director Corporate & Community Services						
Functional Area:	Governance						
Introduction & Background	<p>During the course of undertaking their responsibilities as representatives of Council, Councillors and/or Committee Members will from time to time incur out of pocket expenses.</p> <p>To ensure equitable participation by all Councillors these incurred out of pocket expenses where appropriate should be reimbursed to Councillors and/or Committee Members by Council.</p>						
Purpose & Objectives	<p>To provide guidance and policy on the reimbursement of out of pocket expenses Councillors and Members of Council committees to ensure that they are not financially or otherwise disadvantaged in undertaking their official Council duties.</p> <p>The payment and/or reimbursement of expenses must only be for the actual cost of legitimate business use and not for time and effort spent in performing these duties.</p>						
Definitions							
Policy Details							
1.	<p><b>Scope</b></p> <p>Section 41 of the <i>Local Government Act 2020</i> provides for the reimbursement of necessary out of pocket expenses incurred while performing duties as a Councillor or delegated committee member.</p> <p>The policy adopted by Council under this section must:</p> <ul style="list-style-type: none"> <li>a) specify procedures to be followed in applying for reimbursement and in reimbursing expenses; and</li> <li>b) comply with any requirements prescribed by the regulations in relation to the reimbursement of expenses; and</li> </ul>						



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	<p>c) provide for the reimbursement of childcare costs where such childcare is reasonably required for a Councillor or delegated committee member to perform their role; and</p> <p>d) have particular regard to a expenses incurred by a Councillor who is a carer within the meaning of section 4 of the <i>Carers Recognition Act 2012</i>.</p> <p>Recognising the leadership role of the Office of Mayor, the policy also provides for some additional resources and facilities specific to that office.</p> <p>The basic test that will be applied to determine whether or not an expense is lawfully incurred, is whether the expenditure is necessary because it is supplemental or incidental to or consequent on the exercise of Council functions.</p>
2.	<p>Accountability – Council Plan Objective / Strategy</p> <p>The aims or objectives of the policy are aligned with Council's Council Plan objectives and strategies.</p>
3.	<p>Accountability – Legislation / Standards</p> <ul style="list-style-type: none"> <li>• Local Government Act 2020</li> <li>• Local Government (General) Regulations 2020</li> <li>• Carers Recognition Act 2012</li> <li>• Charter of Human Rights and Responsibilities Act 2006</li> <li>• Freedom of Information Act 1982</li> <li>• Privacy and Data Protection Act 2014</li> <li>• Equal Opportunity Act 2010</li> </ul>
4.	<p>Accountability – Responsibilities</p> <p>The Director Corporate and Community Services is responsible for the development and management of this policy.</p>
5.	<p>Accountability – Review</p> <p>The policy is to be reviewed after each general election of the Council with suggested revisions to be submitted to the Council for consideration and adoption. Operational amendments may be made as required between review periods in accordance with Council's/CEO's approval.</p>
6.	<p>Accountability – Communication / Implementation</p> <p>a) The policy will be communicated to Councillors and relevant staff. The policy is referred to in the Councillor Induction and Development Program.</p>





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	<p>b) The policy will be published on Council's website and a copy will be available for inspection at the Council's Registered Office.</p>
7.	<p>Accountability – Charter of Human Rights Compliance</p> <p>It is considered that this policy does not impact on any human rights identified in the <i>Charter of Human Rights &amp; Responsibilities Act 2006</i>.</p>
8.	<p>Submitting an Expense Reimbursement Claim</p> <p>A claim for reimbursement of expenses must be submitted on the appropriate form 'Councillor Travel / Expenses Allowance Form'.</p> <p>Appropriate evidence of expenditure must be attached for all expense claims.</p> <p>It is noted that for a Councillor or Committee Member to be eligible for reimbursement then the expense must be incurred as part of official Council business.</p> <p>Official Council business is where Council has authorised the activity that gave rise to the expense. If a Councillor or Committee member incurs an expense due to activities of their own undertaking they are not eligible to be reimbursed for that expense. (For example, if a Councillor or Committee Member attends a meeting or event where they are not the designated Council representative, they shall not be entitled to reimbursement of expenses arising from attending that meeting or event).</p>
9.	<p>Approval of an Expense Reimbursement Claim</p> <p>All expense reimbursement claims submitted are to be approved by the Chief Executive Officer.</p> <p>All expense claims are to be supported by relevant appropriate evidence of expenditure. This may take the form of:</p> <ul style="list-style-type: none"> <li>• Receipts in the case of direct expenses</li> <li>• Evidence of attendance at Council activities in the case of travel (i.e km car travel) reimbursement claims – this may take the form of:             <ul style="list-style-type: none"> <li>○ Councillor diary to evidence meetings</li> <li>○ Minutes of meetings</li> <li>○ Registration paperwork for attendance at conferences</li> <li>○ Statutory Declaration of attendance</li> </ul> </li> <li>• Statutory Declaration of the incurring of expenses</li> </ul> <p>All expense claimed must be incurred in the undertaking of Council business. Council business refers to only those events, meetings or activities attended as a formal agreed representative of Council. If a Councillor or committee member attends an event, meeting or activity in a private capacity or not as a formal representative of Council then they are not eligible for reimbursement of any expenses or travel incurred.</p>



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	<p>The Chief Executive Officer has the right at his/her discretion to request further evidence to support any expense reimbursement claim that is submitted.</p>
10.	<p>Eligible Expenses:</p> <p>Any expense, other than those declared ineligible, that are reasonably incurred in undertaking of official Council business are eligible for reimbursement. These may include, but are not limited to, the following:</p> <ul style="list-style-type: none"><li>• Travel expenditure to attend meetings/events, including<ul style="list-style-type: none"><li>○ Per kilometre car reimbursement for the use of private vehicle, with reference to the Australian Taxation Office deductible rates</li><li>○ Taxi fare</li><li>○ Train fare</li><li>○ Air fare</li></ul></li></ul> <p>Travel expenses may only be approved where all alternative methods of Council provided travel (i.e pool cars, etc) are unavailable.</p> <p>Air travel must be pre-approved by the Mayor and Chief Executive Officer.</p> <ul style="list-style-type: none"><li>• Accommodation costs, up to the reasonable accommodation rates limits published by the Australian Taxation Office</li><li>• Meal costs, up to the reasonable meal limits published by the Australian Taxation Office</li><li>• Conference registration. All efforts should be made for Council to directly pay these costs on behalf of the Councillor/Committee member</li><li>• Childcare costs as a direct result of requiring childcare due to attendance to Council business</li><li>• Costs incurred as a result of providing care to a dependent where the Councillor or Committee member is a carer in a care relationship within the meaning of section 4 of the <i>Carers Recognition Act 2012</i> which arise from the attendance to Council business by the carer. This may include costs around transporting or caring for assistance animals and mobility aids where these are impacted by Council business.</li><li>• Other incidental costs incurred in carrying on Council business. Examples of this may include:<ul style="list-style-type: none"><li>○ Minor information technology costs such as printer ink or toner, or copier paper, but only to the extent that such items are used for approved Council business</li><li>○ Any reasonable repairs required to Council equipment that cannot be reasonably pre or post-paid by Council.</li></ul></li></ul>



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11.	<p data-bbox="316 338 568 371"><b>Ineligible Expenses</b></p> <p data-bbox="316 405 1110 439">The following expenses shall be ineligible for reimbursement:</p> <ul data-bbox="363 461 1430 909" style="list-style-type: none"><li data-bbox="363 461 1342 495">• The purchase of alcohol (except where incidental to consuming a meal)</li><li data-bbox="363 510 1430 577">• Tickets to entertainment (i.e cinema, theatre, concert, etc) or sporting events (except where they form part of an approved conference package)</li><li data-bbox="363 593 1430 660">• Any expenditure incurred which can reasonably be judged to be of a personal nature</li><li data-bbox="363 676 1430 743">• Any expenditure incurred which in the opinion of the Mayor and Chief Executive Officer has no reasonable nexus to the undertaking of Council business</li><li data-bbox="363 759 1430 826">• Any expenditure incurred where the Councillor or Committee Member was not acting or attending as an official representative of Council.</li><li data-bbox="363 842 1430 909">• Any expenditure incurred which arises from activities that are illegal under any law of the State of Victoria and/or Commonwealth of Australia.</li></ul>
12.	<p data-bbox="316 947 612 981"><b>Reporting of Expenses</b></p> <p data-bbox="316 1014 1430 1115">All expense claims which are approved and reimbursed shall be detailed in a report to the next meeting of the Audit Risk Committee, as per s.40(2) of the <i>Local Government Act 2020</i>.</p> <p data-bbox="316 1182 1430 1283">A summary of all expenses reimbursed during a financial year shall be provided in Council's Annual Report for that financial year, listed by Councillor, in accordance with the requirements of the regulations.</p>
13.	<p data-bbox="316 1364 732 1397"><b>Other Allowances / Entitlements</b></p> <p data-bbox="316 1431 1430 1498">Section 42 of the <i>Local Government Act 2020</i> ensures that the Mayor and Councillors are provided with sufficient tools to enable them to effectively undertake their duties.</p> <p data-bbox="316 1514 1430 1581">In doing so Council shall provide to the Mayor and Councillors the following equipment which is to be fully maintained by Council at Council's expense:</p> <ul data-bbox="363 1603 1430 1917" style="list-style-type: none"><li data-bbox="363 1603 971 1637">• Mobile telephone, including data allowance</li><li data-bbox="363 1653 1267 1686">• Tablet or laptop as deemed appropriate by Council's ICT program</li><li data-bbox="363 1702 1430 1769">• Use of Council meeting rooms and office space as required for Council business</li><li data-bbox="363 1785 1430 1818">• Use of Council's stationery, including printing, as required for Council business</li><li data-bbox="363 1834 1230 1868">• Use of Council's pool vehicles as required for Council business</li><li data-bbox="363 1883 1086 1917">• Fully maintained motor vehicle for use by the Mayor</li></ul>



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	<ul style="list-style-type: none"> <li>Any specialised equipment which may be required by a Councillor to support with disability or carer duties (at the discretion of the Mayor and Chief Executive Officer)</li> </ul>
14.	<p><b>Addendums:</b></p> <p>The Reasonable Accommodation and Reasonable Meal Reimbursement Rates as determined by Australian Taxation Office shall define the maximum reimbursement rates under this Policy for meals and accommodation.</p> <p>Reference shall be made to the most recent of these determinations for use in the Policy.</p>

<b>Policy Adopted:</b>	Council Meeting 20/05/20	Minute Book Page [number]	RecFind E20/000100
<b>Policy Reviewed:</b>	Council Meeting 19/08/20	Minute Book Page [number]	RecFind E20/000286



## Taxation Determination

### Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2019–20 income year?

#### **❶ Relying on this Ruling**

This publication (excluding appendixes) is a public ruling for the purposes of the *Taxation Administration Act 1953*.

If this Ruling applies to you, and you correctly rely on it, we will apply the law to you in the way set out in the Ruling. That is, you will not pay any more tax or penalties or interest in respect of the matters covered by this Ruling.

Further, if we think that this Ruling disadvantages you, we may apply the law in a way that is more favourable to you.

#### **Ruling**

1. This Determination sets out the amounts that the Commissioner considers are reasonable (reasonable amounts) for the substantiation exception<sup>1</sup> in Subdivision 900-B of the *Income Tax Assessment Act 1997* (ITAA 1997)<sup>2</sup> for the 2019–20 income year in relation to claims made by employees for:

- overtime meal expenses – for food and drink when working overtime
- domestic travel expenses – for accommodation, food and drink, and incidentals when travelling away from home overnight for work (particular reasonable amounts are given for employee truck drivers, office holders covered by the Remuneration Tribunal and Federal Members of Parliament), and
- overseas travel expenses – for food and drink, and incidentals when travelling overseas for work.

2. The approach outlined can only be used where you receive an allowance to cover the particular expenses you are claiming – for example, you received an accommodation allowance and are claiming accommodation expenses. This Determination is not relevant to you where you do not receive an allowance to cover your expenses.

3. The reasonable amounts only provide the maximum amount you can claim without being required to substantiate your expenditure (refer to paragraph 33 of TR 2004/6). If

<sup>1</sup> This Determination should be read together with Taxation Ruling TR 2004/6 *Income tax: substantiation exception for reasonable travel and overtime meal allowance expenses* which explains the substantiation exception and the way in which these expenses are able to be claimed.

<sup>2</sup> All legislative references are to the ITAA 1997 unless otherwise indicated.

you rely on the reasonable amounts and the ATO checks your income tax return, you will still be required to show:

- you spent the money in performing your work duties (for example, in travelling away from home overnight on a work trip)
- how you worked out your claim (for example, you kept a diary)
- you spent the money yourself (for example, using your credit card statement or other banking records) and were not reimbursed (for example, a letter from your employer), and
- you correctly declared your allowance as income in your tax return.

### **Reasonable amount for overtime meal expenses**

4. For the 2019–20 income year the reasonable amount for overtime meal expenses is \$31.25.

#### **Example 1**

5. *Samantha works for the local government. She is asked to work overtime one night to complete an urgent task. Samantha works her eight-hour day followed by four hours of overtime. Samantha receives an overtime meal allowance of \$14.98 pursuant to her agreement which is shown on her payment summary. During the overtime Samantha takes a rest break to get a meal and returns to continue her overtime. Samantha spends \$20 on her meal.*

6. *Because Samantha has spent less than the reasonable amount for overtime meal expenses, she can claim a deduction for the \$20 she spends and she is not required to substantiate the expenditure (for example, get and keep the receipt for the meal).*

7. *If Samantha's tax return is checked by the ATO she may be asked to explain her claim for deduction. To do this, Samantha would show that she worked overtime, that she was paid an overtime meal allowance under an industrial instrument, that she correctly declared this allowance as income in her tax return, and that she costed her meal at \$20 based on the cost of the curry and drink she purchased from a nearby Thai restaurant.*

8. *If Samantha had spent more than the reasonable amount and wanted to claim the higher amount that she spent, she would need to get and keep the receipt for the meal.*

9. *If Samantha's overtime meal allowance was not shown on her payment summary and she fully spent the allowance, she can choose to leave it out of her tax return and not claim a deduction for the meal she purchases when working overtime.*

**Reasonable amounts for domestic travel expenses**

10. The following reasonable amounts do not apply to employee truck drivers<sup>3</sup>, office holders covered by the Remuneration Tribunal<sup>4</sup>, or Federal Members of Parliament.<sup>5</sup>
11. Reasonable amounts are provided for three salary levels. Salary excludes any allowances received. Use Table 1 if your salary is \$124,480 and below. Use Table 2 if your salary is between \$124,481 and \$221,550. Use Table 3 if your salary is \$221,551 or more.
12. Reasonable amounts are given for:
- accommodation at daily rates (for domestic travel only)
  - meals (showing breakfast, lunch and dinner), and
  - expenses incidental to travel.
13. These amounts are shown for the following travel destinations:
- each Australian State and Territory capital city (see Tables 1 to 3 of this Determination)
  - certain specified high cost regional and country centres (see Table 4 of this Determination for individual amounts)
  - other specified regional and country centres (a common amount is given for locations listed in Table 5 of this Determination), and
  - all other regional and country centres (a common amount is given for all locations not listed in Tables 4 or 5 of this Determination).
14. The reasonable amount for accommodation applies only for short stays in commercial establishments like hotels, motels and serviced apartments. If a different type of accommodation is used (for example, a hostel or caravan park), the reasonable amount cannot be used even if you receive an allowance.
15. The reasonable amount for meals depends on the period and time of travel. That is, the reasonable amounts only apply to meals (that is, breakfast, lunch and dinner) that fall within the time of day from the commencement of your travel to the end of your travel that is covered by the allowance. For example, if you leave at 10.00am on Monday and return home at 3.00pm on Tuesday you can apply the reasonable amounts for lunch and dinner on Monday and breakfast and lunch on Tuesday.
16. The reasonable amount for incidentals applies in full to each day of travel covered by the allowance, without the need to apportion for any part-day travel on the first and last day.

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<sup>3</sup> See paragraphs 23 to 30 of this Determination for the rates for truck drivers.

<sup>4</sup> Paragraphs 66 to 69 of TR 2004/6 say claims made by office holders covered by the Remuneration Tribunal are considered to be reasonable amounts if they do not exceed the rate of allowances set by the Remuneration Tribunal for that office holder.

<sup>5</sup> Paragraphs 70 and 71 of TR 2004/6 say travel allowances paid to Federal Members of Parliament and Federal Parliamentary Secretaries, under the arrangements that commenced on 14 April 1998, are considered reasonable amounts for the recipients of those allowances. This includes the capital city and Canberra travel allowance rates for domestic travel, having regard to the circumstances under which those allowances are paid.

**TD 2019/11**

17. The reasonable amounts for domestic travel expenses, according to salary levels and destinations, for the 2019–20 income year, are shown in Tables 1 to 5 of this Determination as follows:

<b>Table 1: Employee's annual salary – \$124,480 and below</b>				
<b>Place</b>	<b>Accomm. (\$)</b>	<b>Food and drink (\$)</b> breakfast 28.15 lunch 31.65 dinner 53.90	<b>Incidentals (\$)</b>	<b>Daily total (\$)</b>
Adelaide	157	as above	20.05	290.75
Brisbane	175	as above	20.05	308.75
Canberra	168	as above	20.05	301.75
Darwin	220	as above	20.05	353.75
Hobart	147	as above	20.05	280.75
Melbourne	173	as above	20.05	306.75
Perth	180	as above	20.05	313.75
Sydney	188	as above	20.05	321.75
High cost country centres	see Table 4	as above	20.05	variable
Tier 2 country centres (see Table 5)	134	breakfast 25.20 lunch 28.75 dinner 49.60	20.05	257.60
Other country centres	114	breakfast 25.20 lunch 28.75 dinner 49.60	20.05	237.60

<b>Table 2: Employee's annual salary – \$124,481 to \$221,550</b>				
<b>Place</b>	<b>Accomm. (\$)</b>	<b>Food and drink (\$)</b> breakfast 30.60 lunch 43.35 dinner 60.65	<b>Incidentals (\$)</b>	<b>Daily total (\$)</b>
Adelaide	208	as above	28.70	371.30
Brisbane	257	as above	28.70	420.30
Canberra	246	as above	28.70	409.30
Darwin	293	as above	28.70	456.30
Hobart	196	as above	28.70	359.30
Melbourne	228	as above	28.70	391.30
Perth	245	as above	28.70	408.30
Sydney	251	as above	28.70	414.30
High cost country centres	see Table 4	as above	28.70	variable
Tier 2 country centres (see Table 5)	152	breakfast 28.15 lunch 28.75 dinner 56.05	28.70	293.65
Other country centres	134	breakfast 28.15 lunch 28.75 dinner 56.05	28.70	275.65



<b>Place</b>	<b>Accomm. (\$)</b>	<b>Food and drink (\$)</b> breakfast 36.10 lunch 51.15 dinner 71.55	<b>Incidentals (\$)</b>	<b>Daily total (\$)</b>
Adelaide	209	as above	28.70	396.50
Brisbane	257	as above	28.70	444.50
Canberra	246	as above	28.70	433.50
Darwin	293	as above	28.70	480.50
Hobart	196	as above	28.70	383.50
Melbourne	265	as above	28.70	452.50
Perth	265	as above	28.70	452.50
Sydney	265	as above	28.70	452.50
All country centres	\$195, or the relevant amount in Table 4 if higher	as above	28.70	variable

<b>Country centre</b>	<b>\$</b>	<b>Country centre</b>	<b>\$</b>
Albany (WA)	179	Kalgoorlie (WA)	172
Alice Springs (NT)	150	Karratha (WA)	215
Ballarat (VIC)	148	Katherine (NT)	158
Bathurst (NSW)	135	Kununurra (WA)	204
Bega (NSW)	145	Launceston (TAS)	141
Benalla (VIC)	137	Mackay (QLD)	161
Bendigo (VIC)	135	Maitland (NSW)	152
Bordertown (SA)	149	Mount Gambier (SA)	137
Bourke (NSW)	165	Mount Isa (QLD)	160
Bright (VIC)	162	Mudgee (NSW)	146
Broken Hill (NSW)	139	Muswellbrook (NSW)	143
Broome (WA)	220	Newcastle (NSW)	169
Bunbury (WA)	155	Newman (WA)	170
Burnie (TAS)	164	Norfolk Island (NSW)	190
Cairns (QLD)	153	Northam (WA)	140
Carnarvon (WA)	156	Orange (NSW)	155
Castlemaine (VIC)	146	Port Hedland (WA)	175
Chinchilla (QLD)	143	Port Lincoln (SA)	170
Christmas Island (WA)	184	Port Macquarie (NSW)	158
Cocos (Keeling) Islands (WA)	302	Port Pirie (SA)	150
Coffs Harbour (NSW)	137	Queanbeyan (NSW)	139
Colac (VIC)	138	Queenstown (TAS)	136

Dalby (QLD)	162	Roma (QLD)	139
Dampier (WA)	175	Shepparton (VIC)	145
Derby (WA)	170	Swan Hill (VIC)	136
Devonport (TAS)	158	Tennant Creek (NT)	146
Emerald (QLD)	156	Toowoomba (QLD)	144
Esperance (WA)	155	Thursday Island (QLD)	200
Exmouth (WA)	190	Townsville (QLD)	143
Geraldton (WA)	165	Wagga Wagga (NSW)	144
Gladstone (QLD)	155	Wangaratta (VIC)	139
Gold Coast (QLD)	209	Weipa (QLD)	138
Gosford (NSW)	140	Whyalla (SA)	145
Halls Creek (WA)	170	Wilpena-Pound (SA)	193
Hervey Bay (QLD)	157	Wollongong (NSW)	155
Horn Island (QLD)	200	Wonthaggi (VIC)	146
Horsham (VIC)	148	Yulara (NT)	400
Jabiru (NT)	216		

**Table 5: Tier 2 country centres**

<b>Country centre</b>	<b>Country centre</b>
Albury (NSW)	Kadina (SA)
Ararat (VIC)	Kingaroy (QLD)
Armidale (NSW)	Lismore (NSW)
Ayr (QLD)	Mildura (VIC)
Bairnsdale (VIC)	Naracoorte (SA)
Bundaberg (QLD)	Nowra (NSW)
Ceduna (SA)	Port Augusta (SA)
Charters Towers (QLD)	Portland (VIC)
Cooma (NSW)	Renmark (SA)
Dubbo (NSW)	Rockhampton (QLD)
Echuca (VIC)	Sale (VIC)
Geelong (VIC)	Seymour (VIC)
Goulburn (NSW)	Tamworth (NSW)
Griffith (NSW)	Tumut (NSW)
Gunnedah (NSW)	Warrnambool (VIC)
Hamilton (VIC)	Wodonga (VIC)
Innisfail (QLD)	

**Example 2**

18. *Michelle is an accountant earning \$145,000 a year. As part of her duties, she is required to travel to and work in Sale for four days and three nights each month. Michelle's employer pays for her accommodation directly and gives her a meal and incidental allowance of \$80 per day for the four days of travel. This allowance is shown on her payment summary. Michelle's usual pattern is to eat three times a day, spending \$20 on breakfast, \$25 on lunch and \$40 on dinner (that is, a total of \$85 per day). Michelle calculates the daily reasonable amount for meals and incidentals as follows:*

- *Table 2 of this Determination applies because Michelle's salary is between \$124,481 and \$221,550*
- *Sale is listed as a Tier 2 country in Table 5 of this Determination*
- *Table 2 of this Determination provides reasonable amounts for Tier 2 country centres as \$112.95 per day for meals and \$28.70 per day for incidentals (that is, a total of \$141.65 per day).*

19. *Because Michelle has spent less than the reasonable amount on meals and incidentals, she can claim a deduction for the \$85 per day that she spends on meals and she is not required to substantiate the expenditure (for example, get and keep all of the receipts for the meals). Michelle cannot claim anything for accommodation because her employer paid for it.*

20. *If Michelle's tax return is checked by the ATO she may be asked to explain her claim for deduction. To do this Michelle would show she travelled to and worked in Sale for four days each month, that she received an allowance for the meals and incidentals for each day she travelled, that she correctly declared this allowance as income in her tax return, and that she typically spent \$85 a day on meals and incidental expenses (for example, by reference to diary entries, bank records and receipts that she kept for some of the trips).*

21. *If Michelle had spent more than the reasonable amount on meals and incidentals and wanted to claim the higher amount that she spent, she would need to get and keep all of the receipts.*

22. *If Michelle's meal and incidental allowance was not shown on her payment summary and she fully spent the allowance, she can choose to leave it out of her tax return and not claim any deductions for the meals and incidentals that she purchases whilst travelling and working in Sale.*

**Reasonable amounts for domestic travel expenses for employee truck drivers<sup>6</sup>**

23. Reasonable amounts are given for meals (breakfast, lunch and dinner). The amounts are for all domestic travel destinations (that is, capital cities, regional and country centres). For the 2019–20 income year, the relevant amounts are as set out in Table 5a:

<b>Breakfast</b>	<b>Lunch</b>	<b>Dinner</b>
\$25.20	\$28.75	\$49.60

24. The amounts for each of these meal breaks are separate and cannot be aggregated into a single daily amount. This is of particular importance for the days on which travel commences and ends, when some meals may not be deductible because they are not consumed in the course of work travel. A driver's work diary (as maintained for fatigue management purposes) can be used to demonstrate when meal breaks were taken, since employee truck drivers may take meal breaks at different times of the day compared to other taxpayers. It should also be noted that amounts can't be moved from one meal to another (for example, if the full amount for breakfast is not expended, it cannot be carried over to lunch or dinner).

25. The deduction allowed for each meal is the amount actually spent and not simply the reasonable amount specified in paragraph 23 of this Determination. Although the formal substantiation requirements don't apply for claims up to the reasonable amount, taxpayers should still be able to demonstrate the basis for their claims. Example 3 of this Determination shows how this can be done.

26. All accommodation expenses and incidental expenses (for example, the cost of a shower) incurred by employee truck drivers as part of work-related travel must be substantiated with written evidence (for example, a receipt).

**Example 3**

27. *Glenn is an employee truck driver. He is required to drive from Melbourne, Victoria to Adelaide, South Australia. Glenn leaves Melbourne at 9.00pm, sleeps away from home overnight in his truck cab, then drives back to Melbourne the following day. Glenn is paid a travel allowance of \$40 for each day. These amounts are shown on his payment summary.*

28. *Glenn stops around midnight at a 24-hour truck stop in Horsham and spends \$25 on food and drink. He then continues to Adelaide where he snacks on a sandwich and fruit that he brought from home, before having a sleep in the truck cab. In the morning Glenn spends \$20 on food and drink at the truck stop where he parked overnight. After the truck is unloaded and reloaded Glenn heads to Bordertown, South Australia where he stops for lunch. Here he spends \$25 on food and drink. He then continues to Melbourne arriving at 5.00pm, snacking on almonds and water that he brought from home as he drives.*

29. *Because Glenn spent less than the reasonable amount for each of dinner, breakfast and lunch, he can claim a deduction for the full amount that he spent on those meals (\$70) and is not required to obtain and keep all of the receipts for these meals. He*

<sup>6</sup> For further information on truck drivers refer to paragraphs 72 to 75 of TR 2004/6 and to Taxation Ruling TR 95/18 *Income tax: employee truck drivers-allowances, reimbursements and work-related deductions.*

*may still need to provide a reasonable explanation of the expenses and so the receipts could be useful in demonstrating a pattern (see paragraph 30 of this Determination).*

30. *If Glenn's tax return is checked by the ATO he may be asked to explain his claim for these amounts. Glenn would need to show that he travelled to and from Adelaide (for example, his work diary), that he received an allowance for the meals for each day that he travelled, that he correctly declared this allowance as income in his tax return, and demonstrate his typical spending pattern on meals. This could be by reference to diary entries, bank records and receipts kept for some (a representative sample) of his trips.*

### **Reasonable amounts for overseas travel expenses**

31. If you are travelling overseas and are away from your usual residence for six or more nights in a row, you must still keep travel records even if you rely on the reasonable amounts and don't have to substantiate your expenses. Travel records may include ticketing information, diary entries or other information setting out the nature of your travel, the day and time it began, how long it lasted and where you travelled.

32. Reasonable amounts are provided for three salary levels. Salary excludes any allowances received.

- Use Table 6 of this Determination if your salary is \$124,480 and below.
- Use Table 7 of this Determination if your salary is between \$124,481 and \$221,550.
- Use Table 8 of this Determination if your salary is \$221,551 or more.

33. Reasonable amounts are given for:

- meals (showing breakfast, lunch and dinner), and
- expenses incidental to travel.

Any expenditure on accommodation overseas must be fully substantiated.

34. Reasonable amounts are shown for cost groups to which a country has been allocated. Table 9 of this Determination sets out the cost group to which a country has been allocated.

35. If you travel to a country that is not shown in Table 9 of this Determination, use the reasonable amount for Cost Group 1 in the table relevant to your salary range.

36. If you travel to two or more countries in the same day, use the cost group of the country that is in the higher cost group in determining the reasonable amount for that day.

37. The reasonable amount for incidentals applies in full to each day of travel covered by the allowance, without the need to apportion for any part-day travel on the first and last day.

38. The reasonable amounts for overseas travel expenses per day according to salary levels and cost groups for the 2019–20 income year are shown in Tables 6 to 9 of this Determination as follows:

<b>Table 6: Employee's annual salary – \$124,480 and below</b>			
<b>Cost Group</b>	<b>Meals</b>	<b>Incidentals</b>	<b>Total</b>
1	\$60	\$25	\$85
2	\$95	\$30	\$125
3	\$130	\$35	\$165
4	\$170	\$35	\$205
5	\$200	\$40	\$240
6	\$240	\$45	\$285

<b>Table 7: Employee's annual salary – \$124,481 to \$221,550</b>			
<b>Cost Group</b>	<b>Meals</b>	<b>Incidentals</b>	<b>Total</b>
1	\$75	\$25	\$100
2	\$110	\$35	\$145
3	\$150	\$40	\$190
4	\$190	\$45	\$235
5	\$240	\$50	\$290
6	\$295	\$50	\$345

<b>Table 8: Employee's annual salary – \$221,551 and above</b>			
<b>Cost Group</b>	<b>Meals</b>	<b>Incidentals</b>	<b>Total</b>
1	\$95	\$30	\$125
2	\$140	\$40	\$180
3	\$185	\$45	\$230
4	\$235	\$50	\$285
5	\$295	\$60	\$355
6	\$340	\$60	\$400

**Table 9: Table of countries**

<b>Country</b>	<b>Cost Group</b>	<b>Country</b>	<b>Cost Group</b>	<b>Country</b>	<b>Cost Group</b>	<b>Country</b>	<b>Cost Group</b>
Albania	2	Ecuador	4	Laos	3	Rwanda	3
Algeria	3	Egypt	3	Latvia	4	Saint Lucia	5
Angola	4	El Salvador	3	Lebanon	5	Saint Vincent	4
Antigua and Barbuda	6	Eritrea	4	Lithuania	3	Samoa	4
Argentina	2	Estonia	4	Luxembourg	5	Saudi Arabia	4
Armenia	3	Ethiopia	3	Macau	5	Senegal	4
Austria	5	Fiji	3	Malawi	3	Serbia	3
Azerbaijan	3	Finland	6	Malaysia	3	Sierra Leone	3
Bahamas	6	France	5	Mali	3	Singapore	6
Bahrain	5	French Polynesia	6	Malta	4	Slovakia	4
Bangladesh	4	Gabon	6	Mauritius	4	Slovenia	3
Barbados	6	Gambia	2	Mexico	3	Solomon Islands	4
Belarus	2	Georgia	2	Monaco	6	South Africa	2
Belgium	5	Germany	5	Morocco	4	Spain	5
Bermuda	6	Ghana	4	Mozambique	3	Sri Lanka	3
Bolivia	3	Gibraltar	4	Myanmar	3	Sudan	2
Bosnia	2	Greece	4	Namibia	2	Surinam	2
Brazil	3	Guatemala	4	Nepal	3	Sweden	5
Brunei	3	Guyana	4	Netherlands	5	Switzerland	6
Bulgaria	3	Hong Kong	5	New Caledonia	5	Taiwan	4
Burkina Faso	3	Hungary	3	New Zealand	4	Tanzania	3
Cambodia	1	Iceland	6	Nicaragua	3	Thailand	4
Cameroon	4	India	3	Nigeria	5	Tonga	3
Canada	4	Indonesia	3	North Macedonia	2	Trinidad and Tobago	6
Chile	3	Iran	1	Norway	6	Tunisia	2
China	5	Iraq	5	Oman	6	Turkey	3
Colombia	3	Ireland	5	Pakistan	2	Uganda	3
Congo Democratic Republic	5	Israel	6	Panama	4	Ukraine	3
Cook Islands	4	Italy	5	Papua New Guinea	4	United Arab Emirates	6
Costa Rica	3	Jamaica	4	Paraguay	2	United Kingdom	5
Cote D'Ivoire	4	Japan	5	Peru	4	United States of America	5
Croatia	3	Jordan	6	Philippines	3	Uruguay	3
Cuba	3	Kazakhstan	2	Poland	3	Vanuatu	4
Cyprus	4	Kenya	4	Portugal	4	Vietnam	3
Czech Republic	3	Korea	6	Puerto Rico	5	Zambia	3
Denmark	6	Kosovo	2	Qatar	6		
Dominican Republic	4	Kuwait	5	Romania	3		
East Timor	4	Kyrgyzstan	2	Russia	5		

**Example 4**

39. Toby travels to China on business for two weeks and is paid a travel allowance of \$500 per day (made up of \$250 for meals and incidentals and \$250 for accommodation). Toby's annual salary is \$191,000. Toby usually spends \$250 per day on meals and incidentals and \$300 per night on accommodation when travelling in China. Toby calculates the daily reasonable amount for his overseas travel as follows:

- Table 7 of this Determination applies because Toby's salary is between \$124,481 and \$221,550
- Table 9 of this Determination lists China as Cost Group 5, and
- Table 7 of this Determination provides reasonable amounts for meals and incidental expenses for Cost Group 5 as \$240 per day for meals and \$50 per day for incidentals (that is, a total of \$290 per day).

40. Because Toby has spent less than the reasonable amount on meals and incidentals, he can claim a deduction for the \$250 per day that he spends and he is not required to substantiate the expenditure (for example, get and keep all of the receipts for the meals and incidentals). Because he has spent more than six nights away in a row, Toby must keep travel records for the two weeks he is in China. Toby can claim a deduction for the \$300 per day he spends on accommodation but he must fully substantiate this expenditure (by getting and keeping a receipt or other documentary evidence of the expenditure).

41. If Toby's tax return is checked by the ATO he may be asked to explain his claim for deduction. To do this Toby would show he travelled to China for work, that he received an allowance for the meals and incidentals for each day he travelled, that he correctly declared this allowance as income in his tax return, and that he typically spent \$250 a day on meals and incidental expenses (for example, by reference to diary entries, bank records and some receipts that he kept).

42. If Toby's travel allowances were not shown on his payment summary and he fully spent the allowance, he can choose to leave them out of his tax return and not claim any deductions for the meals and incidentals he purchases when travelling and working in China.

**Date of effect**

43. This Determination applies to the 2019–20 income year only. However, this Determination will not apply to taxpayers to the extent that it conflicts with the terms of settlement of a dispute agreed to before the date of issue of this Determination (see paragraphs 75 to 76 of Taxation Ruling TR 2006/10 *Public Rulings*).

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**Commissioner of Taxation**3 July 2019

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## References

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*Previous draft:*

Not previously issued as a draft

*Related Rulings/Determinations:*

TR 95/18; TR 2004/6; TR 2006/10

*Previous Rulings/Determinations:*

TD 2014/19; TD 2015/14; TD 2016/13;  
TD 2017/19, TD 2018/11

*Legislative references:*

- ITAA 1997
  - ITAA 1997 Subdiv 900-B
  - TAA 1953
- 

## ATO references

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# Council Policy Manual

## WEST WIMMERA SHIRE COUNCIL

COUNCIL POLICY	
<b>CORPORATE CREDIT &amp; PURCHASE CARDS POLICY</b>	Policy No:
	Adopted by Council: 16 December 2020
	Next review date: December 2023
Senior Manager:	Director Corporate & Community Services
Responsible Officer:	Finance Coordinator
Functional Area:	Finance
<b>Introduction &amp; Background</b>	<p>The usage of Corporate Credit/Purchase Cards (the card) is an alternative method of payment intended for purchases for which the use of Council's regular purchasing and creditor payment system is not appropriate.</p> <p>All purchases are to be in accordance with these guidelines.</p> <p>Credit cards can provide a convenient and efficient means of expediting the purchase process and reducing the internal costs involved to process a transaction. Credit cards are not a convenient alternative to seek reimbursement.</p>
<b>Purpose &amp; Objectives</b>	<p>The purpose of the policy is to provide clear guidance on the use of all West Wimmera Shire Council Corporate Credit and Purchase Cards.</p> <p>The objectives of this Policy are:</p> <ul style="list-style-type: none"> <li>• To have clear guidelines for usage of West Wimmera Shire Council Corporate Credit/Purchase Cards;</li> <li>• To provide guidance on how a breach of the policy will be managed; and</li> <li>• To ensure purchases made via the card have appropriate internal controls and comply with the Council's Procurement Policy.</li> </ul>
<b>Definitions</b>	<p><b>Corporate Card:</b> A Corporate Card includes a credit or debit card issued by Council's banker and specific supplier purchase cards.</p> <p><b>Cardholder:</b> Refers to the Officer or Mayor whose name appears on the Corporate Credit/Purchase Card and is responsible for providing a clear audit trail.</p> <p><b>Authorising Signatory:</b> In most circumstances, the authorising signatory will be the direct supervisor of the cardholder as per the financial delegations within Council's Instrument of Delegation. If the direct supervisor does not have the financial delegation, the next supervisor up line with the necessary delegation will be the authorising signatory.</p>



# Council Policy Manual

## WEST WIMMERA SHIRE COUNCIL

	<p><b>Program Administrator:</b> The person assigned by the CEO under to be responsible for the administration of purchasing and credit cards within Council, typically the Finance Coordinator.</p> <p><b>Tax Invoice:</b> Proof of payment containing the following information:</p> <ul style="list-style-type: none"> <li>• The supplier’s ABN</li> <li>• The name of the supplier</li> <li>• GST Inclusive price of the taxable supply</li> <li>• The words ‘Tax Invoice’</li> <li>• The date of issue, and</li> <li>• A brief description of each item supplied</li> </ul> <p><b>Personal use:</b> Any purchase intended for personal use and any items not normally provided to an Officer or Mayor in the course of their daily functions with Council.</p> <p><b>Unauthorised use:</b> Any instance of non-compliance with Councils policy or procedure by the cardholder or as a result of the card being lost or stolen or because of fraud.</p>
<b>Policy Details</b>	
<b>1.</b>	<p><b>Scope of the Policy</b></p> <p>This policy applies to all West Wimmera Shire Council Officers and Mayor who have been issued with a West Wimmera Shire Council Corporate Credit/Purchase Card.</p> <p>Cardholders and their Managers are responsible for adherence to this policy, ensuring internal control procedures are followed in order to reduce the risk of fraudulent or inappropriate use of Corporate Credit/Purchase Cards.</p>
<b>2.</b>	<p><b>Relationship with other Council Policies</b></p> <p>All purchases made on Council Credit/Purchase Cards shall comply with the following Council policies:</p> <ul style="list-style-type: none"> <li>• Procurement Policy</li> <li>• Fraud &amp; Corruption Control Policy</li> <li>• Staff Code of Conduct (West Wimmera Shire Council Officers)</li> <li>• Councillor Code of Conduct (Mayor)</li> </ul>



<b>3.</b>	<b>Inappropriate transactions</b> <ul style="list-style-type: none"><li>• Expenditure of a personal or private nature</li><li>• Cash advances of any nature</li><li>• Purchase of fuels for vehicles where the fuel card should be used, except for emergency situations</li><li>• Payment of a monthly statement or invoice received from a supplier where the transactions are usually paid by accounts payable</li><li>• Any item classified as a capital purchase</li><li>• Payment of personal fines and penalties</li><li>• Payment for any personal subscriptions or memberships to associations, unless authorised by an appropriate manager, director or CEO.</li><li>• Payment for travel, training, conferences or courses unless authorised by an appropriate manager, director or CEO.</li><li>• Incidental costs such as meals and drinks unless the officer is engaged in Council duties such as meetings or workshops</li><li>• The purchase of alcohol (except where incidental to consuming a meal)</li><li>• Splitting purchases to avoid the Procurement policy requirements</li><li>• Tips and gratuities</li><li>• Transactions when on leave</li><li>• Purchase of gifts and/or gift cards</li><li>• Medical costs related to employment i.e. doctors, physiotherapists, ambulance etc.</li><li>• Pay for an expense when reimbursement has been made (or will be made) to the cardholder for that same expense (for example, travel expenses)</li></ul>
<b>4.</b>	<b>Card Usage and Limits</b> <p>As a guide, credit cards should be used:</p> <ul style="list-style-type: none"><li>• When a purchase order will not be accepted by a supplier</li><li>• When immediate payment is required to secure the goods/services</li><li>• When it is a one-off purchase from a supplier</li><li>• Where alternative payment options (ie. bank transfer, cheque or BPay) are not offered by the supplier</li><li>• For small value transactions where the cost of processing through Accounts Payable is likely to exceed the cost of the original transaction.</li></ul> <p>Credit/purchase cards are not to be used by persons other than the cardholder. It should never be handed to another staff member to use on your behalf, and if this occurs, it may result in disciplinary action including suspension and or cancellation of the card.</p> <p>Each cardholder is assigned an individual monthly credit limit based on their purchasing needs. A credit limit can be re-evaluated by written request submitted to the program administrator and CEO. Cardholders and card limits are to be reviewed annually by the senior management team and approved by the CEO.</p> <p>A register of credit cards issued and returned is to be kept and regularly maintained by the finance team. This register shall, at a minimum, include details of limits, issuance date, authorised signatory, and date their cardholder agreement was last signed/re-signed.</p>



	<p>Each card has a maximum transaction limit of \$1,000 per supplier, per day, unless a different limit is approved by the CEO. All other purchases over \$1,000 should be processed on a Purchase Order through Authority.</p> <p>Each cardholder is authorised to use no more than one card for each facility type (i.e. AMEX, Mastercard/Visa etc).</p>
<b>5.</b>	<p><b>Authorisation and Issue of Credit/Purchase Cards</b></p> <p>The initial application for a credit/purchase card is to be approved by the Director of the employee and the CEO. The application request must be in writing, then forwarded to the program administrator for action.</p> <p>Only employees and Councillors are eligible to be issued a credit/purchasing card. To be eligible, an employee must:</p> <ul style="list-style-type: none"> <li>• Occupy a position that has a regular and demonstrated need to purchase goods and services for use; and/or</li> <li>• Hold the Employee Procurement Authorisation level to commit or incur expenditure; and</li> <li>• Be able to satisfy a card provider “100 Point” identification check; and</li> <li>• Be willing to accept and abide by the conditions of use and comply with relevant City governing documents; and</li> <li>• Complete Corporate Purchasing Card training.</li> </ul> <p>Upon issuance of a credit/purchase card, the employee must immediately sign the back of the card.</p>
<b>6.</b>	<p><b>Withdrawal of Credit/Purchase Cards</b></p> <p>Credit/purchase cards are cancelled at the discretion of the relevant director, Program Administrator or the CEO.</p> <p>Credit/purchase cards are not to be retained by cardholders:</p> <ul style="list-style-type: none"> <li>• during periods leave for periods of greater than two weeks;</li> <li>• upon termination or resignation of employment;</li> <li>• if the cardholder is reassigned to a position where the use is not warranted/approved;</li> <li>• the card is insufficiently utilised (less than 12 transactions per year);</li> <li>• failure to reconcile the statements within the required timeframe;</li> <li>• failure to return the completed statement to the finance team within the required timeframe;</li> <li>• significant or systemic non-compliance with the policy; or</li> <li>• any other reason as determined by the senior management team.</li> </ul> <p>The cards must be returned to the finance coordinator for safekeeping or cancellation.</p>



<b>7.</b>	<b>Roles and Responsibilities</b>  <b>7.1 Mayor and Councillors</b> <p>The mayor and/or Councillors are responsible for reviewing the credit card transactions, typically via the audit committee. The Mayor may review the CEO's credit card transactions on a monthly basis.</p> <b>7.2 Audit Committee</b> <p>The audit committee are responsible for reviewing the credit/purchase card transactions of all cardholders, in particular the transactions of any Councillor and the CEO, on a quarterly basis.</p> <b>7.3 Chief Executive Officer</b> <p>The CEO is responsible for reviewing and approving the credit/purchasing card transactions of the Mayor (and other Councillors where applicable). The CEO is also responsible for the following:</p> <ul style="list-style-type: none"><li>• Ensure cardholders and authorised signatories are aware cards are to be used for official business purposes only</li><li>• Assign a program administrator to manage the credit/purchase card program</li><li>• Assign authorised signatories to review and approve transactions and payments</li><li>• Ensure the efficient, effective and appropriate use of the credit/purchase card facility</li><li>• Ensure internal controls are maintained for the issue, use and acquittal of the purchase cards to prevent unauthorised use and non-compliance</li><li>• Set individual transaction limits and overall cardholder limits</li><li>• Review all instances of unauthorised use and non-compliance. They must also report any significant or systemic non-compliance to the audit committee, police and/or IBAC as applicable</li><li>• Determine the appropriate disciplinary action for non-compliance</li><li>• Approve the issuance and/or withdrawals of credit/purchase cards.</li></ul> <b>7.4 Program Administrator</b> <p>The Program Administrator is responsible for:</p> <ul style="list-style-type: none"><li>• Issuing of Corporate Purchasing Cards and maintaining a register of all cards</li><li>• Conducting "100 Point Identification check" as required</li><li>• Assisting Cardholders with disputed transactions</li><li>• Forwarding appropriate documentation to the Bank</li><li>• Investigating reports of suspected or known breaches of procedures</li><li>• Arranging prompt cancellation or suspension of credit cards as applicable</li><li>• Ensuring cardholders and authorised signatories are provided the appropriate training, and agreements are updated as applicable, and ensuring cardholders acknowledge and agree with the responsibilities, liabilities and consequences of unauthorised use, and understand the policies and procedures established for card use</li><li>• Reviewing and updating the credit card policy and procedures as applicable</li></ul>
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- Ensure cardholders have the appropriate financial delegation prior to issuance of the card
- Ensuring monthly reconciliations and reviews are completed in a timely manner
- Investigating all instances of unauthorised use and non-compliance, and reporting such instances to the CEO
- Issuing non-compliance notices to cardholders in regard to unacceptable use or non-compliance
- Reporting on credit card data to the audit committee on a quarterly basis
- Ensuring all records are available for audit
- Maintain a register of cardholders, limits etc
- Annually assess the requirement for ongoing issue of the card to current cardholders including limits and types of expenses

### **7.5 Authorised Signatories**

When approving purchases, authorised signatories should scrutinise the purchases as if they were made through the mainstream procurement and payment systems. For example, are they for official purposes, appropriate for business use, have goods and services been received and is there sufficient supporting documentation. Authorised signatories are responsible for:

- Completing a detailed monthly review of cardholder transactions within 5 days of receiving a reconciled credit card statement from a cardholder, to ensure the expenditure is in accordance with the policy and account coding for the financial reporting is appropriate
- Reporting any potential non-compliance with the policy to the program administrator

### **7.6 Cardholders**

Cardholders must always act in the best interest of Council (as opposed to personal interests of convenience), and perform their duties honestly and with skill and care. Where cardholders are unsure about a potential conflict of interest, the cardholder should refer to Council's relevant policies and discuss the purchase with the CEO. When it is unclear whether a purchase is for official/acceptable purposes, for example the purchase of gifts or flowers for staff who are leaving the organisation or are ill, they must take advice from their authorised signatory before incurring the expenditure. Cardholders are responsible for:

- Safe keeping of the credit/purchase card, including card details and security PIN
- Promptly informing the program administrator if the card is lost or stolen, or if the cardholder suspects any unauthorised use or transactions
- Ensuring they are present for all purchases on their credit/purchase card
- Reporting any disputed transactions to the program administrator and the bank immediately and ensure prompt resolution
- Signing the card immediately upon receiving it
- Ensuring the card is used only by the cardholder, and within the approved limits
- Returning the card to the finance team as required by section 6.
- Maintaining appropriate supporting documentation to verify the nature and amount of each transaction
- Where supporting documentation is lost, the cardholder must complete a statutory declaration confirming the nature and amount of the transaction





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	<ul style="list-style-type: none"> <li>• Ensure month end reconciliations are completed and passed onto their authorised signatory within 5 business days of receiving the statement from the finance team. Refer to the Credit Card Procedure for further information on the monthly reconciliation procedures</li> <li>• Ensuring there is adequate description on the monthly reconciliation to support the purpose of the transaction, particularly with regards to any travel or entertainment related expenses (i.e. meals, accommodation etc)</li> <li>• Ensure account coding for input into the finance system</li> <li>• Sign the credit/purchase card upon receiving it, and signing the monthly statement and reconciliation to verify the expenses are for business purposes only.</li> </ul>
<b>8.</b>	<p><b>Training Requirements</b></p> <p>Each cardholder and authorised signatory will be trained in this policy and the related procedure upon issue of the corporate credit card. Each cardholder will be required to acknowledge their understanding of the policy and responsibilities by way of a formal credit card agreement. Each authorised signatory will acknowledge their responsibilities by way of a formal authorised signatory agreement.</p> <p>When the policy is reviewed and updated, each cardholder and authorised signatory is required to be provided training on the updated policy, and must re-sign their cardholder/signatory agreement.</p>
<b>9.</b>	<p><b>Breaches of Policy</b></p> <p>The card is to be used in accordance with Council Policies and any deliberate misuse of the card will be considered a breach of Council responsibilities and will result in disciplinary action:</p> <ul style="list-style-type: none"> <li>• The first non-compliance notice will result in a suspension of the card for one week</li> <li>• The second non-compliance notice will result in a suspension of the card for one month</li> <li>• The third, and final, non-compliance will result in cancellation of the card.</li> </ul> <p>Further disciplinary action may also be taken as determined by the CEO.</p> <p>If a cardholder inadvertently incurs private expenses, for example, as part of a larger official business purpose transaction, the cardholder must notify the administrators and reimburse Council for all such private expenses as soon as practicable, unless:</p> <ul style="list-style-type: none"> <li>• The unauthorised use is due to a Corporate Credit/Purchase Card being lost/stolen (provided the cardholder to adequate measures to prevent the card from being lost or stolen); or</li> <li>• The use is the result of fraud on the part of a third party (such as a merchant).</li> </ul> <p>In all cases of misuse, the Council reserves the right to recover any money from the cardholder by whatever legal means are available.</p>





	<p>Any deliberate misuse of the card, or systemic non-compliance, may also result in termination of employment. Additionally, any breaches may be reported to the Police or to the Independent Broad-based Anti-corruption Commission (IBAC) as necessary.</p>
<b>10.</b>	<p><b>Other Matters – Security</b></p> <p>The security of credit cards is paramount. Cardholders must take all due care to ensure safe keeping of the credit/purchase card, including card details and security PIN. Cardholders must ensure there are adequate procedures in place for the storage and use of their card. Under no circumstance shall the cardholder allow the credit card to be photocopied.</p> <p>Cardholders must not provide the card, or a copy of the card, or the credit card details to someone other than the cardholder to allow purchases to be made without the cardholder present.</p> <p><b>Review and Update</b></p> <p>The credit and purchase card policy is to be reviewed at least every three years, unless circumstances are identified requiring a review and update to the policy.</p> <p><b>Emergency Details</b></p> <p>Should a card be lost, the cardholder is responsible for informing the program administrator to allow the card to be cancelled or suspended. Contact details are below:</p> <p style="padding-left: 40px;">Program Administrator: Finance Coordinator Emergency Phone Number: (03) 5585 9927</p> <p>The Program Administrator is responsible for contacting the bank to organise suspension and/or cancellation of the card</p> <p style="padding-left: 40px;">Bank: National Australia Bank – Commercial Cards Centre Emergency Phone Number: 1800 033 103 (24 hours, 7 days a week)</p> <p><b>Significant Losses</b></p> <p>For the purposes of this policy, the value threshold above which an actual or suspected fraud, corruption or other loss in relation to credit cards is significant and reportable is \$500.</p> <p><b>Auditing</b></p> <p>Each month the Cardholder will submit their Corporate Credit Card monthly statement to their authorised signatory who will review their purchases prior to submitting the statement to the finance team for processing. The Council's internal and external auditors may audit credit/purchasing card transactions at any time.</p>



	<p><b>Personal Rewards</b></p> <p>Cardholders are not permitted to tender personal rewards cards (e.g. “Fly Buys” cards) to accumulate points for personal use.</p> <p><b>Records Management</b></p> <p>The Records Management team is responsible for retaining all documentation associated with assigned credit/purchase cards including but not limited to applications and receipts for all transactions.</p> <p><b>Emergency Management</b></p> <p>Circumstances sometimes arise that require Council to invoke its Business Continuity Management Plan. In these instances, Council officers need to offer responsive support to the community and special provisions will apply. In order to assist officers in an emergency management situation, the Chief Executive Officer has the discretion to increase cardholder’s credit limits should this be considered necessary. The program administrator will increase the credit limit on individual cardholders within the limits of Council’s overall facility limit and the cardholder’s financial delegation.</p>
<p><b>11.</b></p>	<p><b>Supporting Documentation</b></p>
	<p>All expenditure incurred on Credit/Purchasing Cards shall be supported by a tax invoice or receipt in compliance with the requirements of the <i>A New Tax System (Goods and Services Tax) Act 1999</i>. If the tax invoice or receipt is lost or otherwise unobtainable, then a Statutory Declaration must be completed and signed by the cardholder. A legible copy of the Supporting Documentation must be scanned and attached to the expense as part of the monthly reconciliation process.</p> <p>A tax invoice must be requested for every purchase; an EFTPOS receipt is not a tax invoice &amp; is not sufficient supporting documentation.</p> <p>When completing the monthly reconciliations, where a transaction has been made from a restaurant, hotel, motel or any other food and beverage providing business, cardholders must provide appropriate information to allow the finance team to split expenditure as required for Fringe Benefits Tax (FBT) purposes. Limits are reviewed and set by the ATO each year.</p>
<p><b>12.</b></p>	<p><b>Human Rights Statement</b></p>
	<p>It is considered that this policy does not impact negatively on any rights identified in the Charter of Human Rights Act. WWSC is committed to consultation and cooperation between management and employees. The Council will formally involve elected employee Health and Safety Representatives in any workplace change that may affect the health and safety of any of its employees.</p>



### Appendix B – Cardholder Agreement

#### Credit Card Cardholder Agreement

<b>Cardholder name:</b>	
<b>Position:</b>	
<b>Accountable Officer:</b>	Chief Executive Officer
<b>Authorised Signatory:</b>	<Position title of supervisor/reviewer>
<b>Administrator:</b>	Finance Coordinator

I understand and agree that the Purchasing Card is issued to me on the express understanding that I will, at all times, comply with the following conditions:

#### Use

- 1) The purchasing card is the property of West Wimmera Shire Council and is in my possession and under my strict control.
- 2) I will not permit the purchasing card to be used by any person other than myself.
- 3) I will only use the purchasing card for official purposes.
- 4) I will immediately report any suspected or known unauthorised use of the purchasing card to the card provider and the program administrator.
- 5) I will not use the purchasing card to pay for expenses that have already been claimed (or will be claimed) by any form of allowance or reimbursement.
- 6) I will not use the purchasing card to pay for tips or gratuities, except in countries other than Australia, to the minimum extent expected in accordance with common practice in the country.
- 7) I will not use the purchasing card to obtain cash, except for prepaid debit cards, where cash may only be obtained if the CEO has authorised the use of the card for this purpose.
- 8) I can use the purchasing card to a maximum limit of \$1,000 in any one transaction and to a maximum monthly limit of \$ <Card Limit>.
- 9) My use of the purchasing card is subject to the following restrictions on transaction types (specify):
  - <Complete as applicable for individual cardholder>.
- 10) I will not split transactions on the purchasing card to avoid exceeding purchasing card transaction limits.
- 11) I hold a financial authorisation that is at least equivalent in value to the transaction limit in 8 above. For any transactions exceeding my level of financial authorisation, I will obtain approval from the appropriate officer as per the Procurement policy requirements prior to making the purchase.
- 12) I understand that purchasing information may be periodically reviewed by management, the audit committee, internal audit and/or Council.



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### Transaction/monthly reconciliation

- 13) I will be issued with a monthly statement by the card provider. I will ensure that all transactions that appear on the monthly statement are verified by me and that a tax invoice/receipt is attached to the monthly statement when it is submitted for approval. In the absence of a tax invoice/receipt, I will complete and sign a Statutory Declaration to verify the transaction. I will ensure that goods or services paid for using the purchasing card are actually delivered or provided. I will ensure that each transaction appearing on the card provider's statement is appropriately coded for accounting purposes.
- 14) I will sign the monthly statement provided by the card provider to indicate that the transactions being paid by the Council have been made only for official purposes and return to the finance department for processing within the requested timeframe.
- 15) I will ensure that credits are requested in relation to transactions made using the purchasing card as soon as I become aware of the need for a credit, for example, where a good or service is not delivered or not provided in accordance with original expectations.

### Change in cardholder details

- 16) I will immediately advise the program administrator of any change in my name or contact details.

### Upon resignation or transfer

- 17) I will immediately return my purchasing card to the program administrator if I resign or retire, or if my services as an employee of the Council are otherwise terminated, or if I am instructed to do so by the Accountable Officer or the program administrator.

### Lost or stolen cards

- 18) I will immediately report the loss or theft of my purchasing card to the card provider and the program administrator.

### Declaration

- 19) I confirm that I have access to only one purchasing card.
- 20) I acknowledge reading and understanding the WWSC Credit Card Policy and Procedure.
- 21) I have been briefed on all aspects of the operation and use of the purchasing card.

Cardholder Signature \_\_\_\_\_

Date \_\_\_\_\_

Accountable Officer Signature \_\_\_\_\_

Date \_\_\_\_\_

Authorised Signatory Signature \_\_\_\_\_

Date \_\_\_\_\_



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<b>Policy Adopted:</b>	Ordinary Meeting 18/06/15	Minute Book Page 30667	RecFind 15/002612
<b>Policy Reviewed:</b>	Ordinary Meeting 16/05/18	Minute Book Page 37956	RecFind 18/001838
	Council Meeting 16/12/20	Minute Book Page <number>	RecFind <number>