

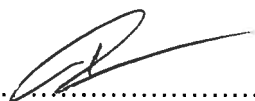


Glen Innes Aggregates – Trading Terms Policy

DOCUMENT AUTHORISATION

RESPONSIBLE OFFICER:		CHIEF FINANCIAL OFFICER			
REVIEWED BY:		MANEX			
REVIEW DUE DATE:		June 2025			
VERSION NUMBER:		5			
DOCUMENT NUMBER:		NA			
VERSIONS:	DATE:	RESOLUTION NO:	DESCRIPTION OF AMENDMENTS:	AUTHOR / EDITOR:	APPROVED / ADOPTED BY:
5	23/06/2022	19.06/22	Updated to Council's current standard policy format. Some minor wording changes. Remove the reference to take cash to the Town Hall	Chief Financial Officer	Council
4	23/05/2019	7.05/19		Chief Financial Officer	Council
3	25/02/2016	32.02/16		Chief Financial Officer	Council

Note: Document Control continued at Appendix A



 General Manager (Interim)

30.9.22

 Date

ACKNOWLEDGEMENT OF COUNTRY

Glen Innes Severn Council acknowledges and pays respect to the Ngoorabul people as the traditional custodians of this land, their elders past, present and emerging and to Torres Strait Islander people and all First Nations people.

INTRODUCTION

Glen Innes Aggregates is a commercial operation that must compete in a competitive market where the risk of non-payment of accounts can be substantial and where prudent management must maintain appropriate internal controls over payment terms. These payment terms, and the associated debt recovery action must be administrable and must provide sufficient freedom to operate while providing certainty to staff.

PURPOSE

The purpose of this policy is to:

- Provide a commercial framework for the trading terms for Glen Innes Aggregates.

APPLICABILITY

This policy applies to:

- all Council Staff; and
- Customers and/or relevant third parties.

OUTCOMES

Glen Innes Severn Council embraces the values of Respect, Integrity, Courage, Honesty and Transparency.

One of Council's strategic objectives is to provide accountable and effective financial management. To adhere to these values and to ensure that Council fulfils this objective, this policy has been prepared.

The objective of this Policy is:

1. To maintain Glen Innes Aggregates on a competitive footing;
 2. To formalise and improve the cash handling procedures and internal control procedures associated with Glen Innes Aggregates;
 3. To ensure that appropriate thresholds are set for the provision of credit to purchasers;
 4. To establish and maintain accountability and transparency at all times in respect of the product sales cycle;
 5. To minimise the risk of fraud and corruption; and
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6. To provide certainty to staff.

ROLES AND RESPONSIBILITIES

It will be the responsibility of the Glen Innes Aggregates Manager to induct staff into this Policy and procedures for quarry staff, while it is the responsibility of the Chief Financial Officer in consultation with the Glen Innes Aggregates Manager to ensure overall compliance with this policy.

All staff that handle money in their daily duties will be required to sign the Policy Acknowledgement Form and return the form to the Chief Financial Officer within two (2) days of commencement with Council. This is in addition to signing the Cash Handling Policy Acknowledgement Form.

Only Glen Innes Aggregates staff that have completed the Policy Acknowledgement Form are permitted to handle cash.

Revised versions of the Policy that contain significant changes will be communicated to all relevant staff by the Chief Financial Officer.

This Policy will be communicated to all Quarry staff by the Glen Innes Aggregates Manager. Revised versions of this policy will be communicated to all other relevant staff by the Chief Financial Officer.

DEFINITIONS

In this policy:

Credit	The maintenance of a line of credit (or Account) for the supply of goods on Council's trading terms.
Debt	The amount of money owed by the debtor as a result of a purchase or transaction with Council. A debt will usually be settled within Council's trading terms.
Debtor	An individual, organisation or other party that transacts with Council where goods or services are provided, the use of facilities are made available or any other transaction that results in an obligation to Council. This obligation is likely to result in future cash inflows, which occur when the debt is paid.
Invoice Date	Required invoices will be raised on a daily basis and the invoice date will be the date the invoice is raised.
Risk	The possibility of a debt by the debtor not being paid within the payment terms.

POLICY STATEMENT

The provision of goods and services by Glen Innes Aggregates must be made in accordance with the following conditions:

- Council will maintain procedures on the provision of credit to debtors that will limit Council's exposure to the risk of non-payment of accounts to within Council's trading terms;
- Subject to the requesting organisation completing the Glen Innes Aggregates Debtors Application Form and the Finance Department performing appropriate credit checks and providing confirmation that there are currently no outstanding amounts owed to council for any other debt by the requesting organisation;
 1. The Glen Innes Aggregates Manager may approve credit up to \$10,000.
 2. Credit above \$10,000 must be approved by the Chief Financial Officer.
- Where appropriate and based on a determination by the Finance Department, when credit is approved, Council may request prepayment, bonds, deposits or personal guarantee to reduce the risk of default;
- No sales are to be made on account where a formal credit agreement has not been completed;
- Interest is to be charged on all credit agreements, except as agreed under contract or for government institutions (and to avoid confusion this includes organisations such as the Roads and Maritime Services), at the maximum allowable interest rate for the year in question;
- Council's trading terms are 30 days from the invoice date unless otherwise agreed by both the Chief Financial Officer and the Director of Infrastructure Services for large contracts (for example the Roads and Maritime Services);
- All credit accounts shall be monitored to ensure payment is made within Council's trading terms. Where payment is not made within Council's trading terms, credit may be withheld at the discretion of the Glen Innes Aggregates Manager in consultation with the Director of Infrastructure Services and the Chief Financial Officer until outstanding amounts are paid in full;
- Credit accounts should not be established for small one off transactions and in any event, not for sales made below \$500 unless no other payment method is reasonably available.

DEBT COLLECTION

In general the following debt collection procedures will be maintained by Council:

- At the expiry of the trading terms 30 days from date of the invoice or as agreed Council is to make contact with the debtor using Council's standard debt recovery procedures, which will include a statement sent to the debtors advising of all amounts outstanding;
 - At 60 days after the expiry of trading terms Council is to advise the debtor that they will halt supply and Glen Innes Aggregates as well as Council is not to supply the debtor of any 'elective' goods or services;
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- At 90 days formal debt collection is to commence with a demand letter to be sent by Council's debt collection agency;
- Council is to use 'common sense' in the collection of debt to ensure that the competitive nature of Council's business undertaking is considered and the cost of staff resources is balanced with the need to collect 'un-commercial' amounts.

LEGISLATION AND SUPPORTING DOCUMENTS

Relevant Legislation, Regulations and Industry Standards include:

The following legislation affects the operation of this policy:

- *Local Government Act 1993, as amended;*
- *Local Government (General) Regulation 2021;*
- *Local Government (State) Award;*
- *Crimes Act 1900;*
- *Environmental Planning Assessment Act 1979;*
- *Government Information (Public Access) Act 2009;*
- *Independent Commission against Corruption Act 1988;*
- *Privacy and Personal Information Protection Act 1998;*
- *Protected Disclosures Act 1994; and*
- *Trustees Act 1925.*

Further, it is a requirement of all Local Government Authorities to maintain an effective system of internal controls, under *Clause 209* of the *Local Government (General) Regulation 2021*.

Relevant Council Policies and Procedures include:

The following Council policies and documents relevant to this policy include:

- Access to Information Policy and Guidelines;
 - Cash Handling Policy;
 - Code of Conduct Policy;
 - Complaints Policy;
 - Computer Usage Policy;
 - Debt Recovery Policy;
 - Delegations of Authority Procedure;
 - Fraud and Corruption Prevention Policy;
 - Grievance Resolution Policy;
 - Human Resources Policy Statement Register; and
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- Internal Reporting Policy.

VARIATION AND REVIEW

The Glen Innes Aggregates Trading Terms Policy will be reviewed every three (3) years, or earlier if deemed necessary, to ensure that it meets the requirements of legislation and the needs of Council. The term of the Policy does not expire on the review date, but will continue in force until superseded, rescinded or varied either by legislation or a new resolution of Council.

Appendix A**Document Control Continued**

PREVIOUS VERSIONS:	DATE:	RESOLUTION NO:	DESCRIPTION OF AMENDMENTS:	AUTHOR / EDITOR:	REVIEW / SIGN OFF:
2	26/06/2014	8.06/14		Chief Financial Officer	Council
1	28/02/2013	34.02/13		Chief Financial Officer	Council