

POLICY



Date adopted: 30/05/2017
File no: 860145-1
Minute number: 148/2017

Policy title: PETTY CASH OR CASH ADVANCES
Directorate: ORGANISATIONAL SERVICES
Branch: FINANCE
Policy objective: To provide a framework for the management and security of petty cash and cash floats across Council.

Policy scope:

This policy will apply to the reimbursement of authorised work-related expenditure through petty cash and to the operation and management of cash floats.

Definitions:

| Term | Definition |
|-------------------|--|
| Cash floats | A sum of money provided for the purpose of supplying customers with change |
| Custodian | The person responsible for the operational management of cash floats |
| Petty cash floats | Designated cash amounts held at Council locations for the payment of minor incidental expenses |

Policy statement:

The following procedure is to be undertaken for this policy:

This policy is to be read in conjunction with Council's cash handling management directive, which provides the detailed steps, responsibilities and guidance in support of the following key principles:

1. Petty cash floats

- (a) Approval
 - (i) The Finance Manager will approve the allocation of permanent petty cash floats to Council locations.
- (b) Operation
 - (i) The branch manager is responsible for the management and safety of approved petty cash floats and will appoint a petty cash custodian.
 - (ii) The petty cash custodian is responsible for the operation and safe-keeping of the petty cash float according to this policy and related procedures.
 - (iii) All petty cash disbursements will be approved in accordance with Council's delegation of authority titled "Authorisation of Expenditure"

- (iv) Reimbursement requests will be submitted on approved form supported by a receipt or invoice document supplied by the vendor.
- (c) Safekeeping
 - (i) Petty cash floats will be kept in a locked tin or similarly secure device (petty cash box) and in a secure location such as a locked drawer or safe.
- (d) Handover and segregation of duties
 - (i) The custodian will undertake a reconciliation of cash plus authorised petty cash vouchers to the authorised cash float at the start and end of the day, during any handover to another custodian and after float reimbursement.
 - (ii) Cash discrepancies will be reported to the Assistant Accountant - Finance according to procedures stipulated in Council's Cash Handling management directive.
 - (iii) Only authorised and appropriately trained personnel will undertake petty cash custodian, cashiering and related duties.

A segregation of duties will be maintained so that no individual has control over the entire cash handling process.
- (e) Risk assessment and audit
 - (i) Risk assessments will be undertaken by the Financial Operations program to identify and prioritise high, medium and low risk cash handling locations according to procedures outlined in Council's 'Cash Handling' management directive.
 - (ii) An independent internal audit process will be undertaken by the Financial Operations program at a frequency determined through risk assessment as specified in Council's 'Cash Handling' management directive to ensure that:
 - a. Appropriate procedures and controls (the procedures) are in place to facilitate the safe handling, storage and reimbursement of petty cash floats,
 - b. Relevant Council officers are aware of and are competent to perform the petty cash responsibilities attached to their functions,
 - c. Evidence exists validating the appropriate and accurate implementation of the procedures.

2. Cash floats

- (a) Cash floats are provided for the purpose of supplying customers with change and may be issued on a temporary or permanent basis.
- (b) Disbursements from cash floats are prohibited.
- (c) Where cash floats are temporarily provided for a function, reconciliation is performed at the end of the function, to agree the total of receipts plus cash floats to the total of cash on hand.

Related policies/legislation/other documents:

| DOC ID | DOCUMENT TYPE | DOCUMENT NAME |
|-------------------------|-------------------------|------------------------------|
| 8745519 | Delegation of Authority | Authorisation of Expenditure |
| 8892466 | Management Directive | Cash Handling Practices |