

POLICY



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Policy title: **GOODS AND SERVICES TAXATION**

Directorate: ORGANISATIONAL SERVICES

Branch: FINANCE

Policy objective: To record key policy criteria to facilitate Council's compliance with GST legislation and rulings.

Policy scope:

1. The *A New Tax System (Goods and Services Tax) Act 1999* requires that GST is payable on taxable supplies and taxable importations and that input tax credits arise on creditable acquisitions and creditable importations.
2. Section 215 of the Local Government Regulation 2012 states that "a Local Government must, no later than 15 September in each financial year, provide the minister a notice stating that the Local Government has paid notional GST for the previous financial year.
3. Logan City Council recognises Council's responsibility for the accurate accounting, reporting and remittance of the GST consequences of Council's activities. Council's GST policy lists GST administrative and management actions for the discharge of Council's GST responsibilities.

Definitions:

Not applicable

Policy statement:

1. Council's management and administrative focus will be to:
 - (a) apply a risk management approach to GST administration
 - (b) establish internal control practices that effectively supports GST processing
 - (c) identify and document all GST impacted transactions in Council's operations and the technical positions that relate to them
 - (d) process and report GST transactions in an accurate, complete and timely manner
 - (e) manage changes that impact on GST administration
 - (f) monitor and review the effectiveness of GST administration.
2. Council management actions will be to:
 - (a) Establish a risk management framework to identify, evaluate and develop controls to manage GST risk.
 - (b) Delegate GST risk management to Council's Financial Accounting and Taxation function within the Finance branch.
 - (c) Ensure that information system design and functionality effectively support GST processing and obligations.
 - (d) Establish operating procedures that reflect Council's GST responsibilities and provide adequate guidance to staff and managers.

- (e) Define management and processing responsibilities and centralise BAS reporting.
- (f) Implement internal controls and audit processes that provide reasonable surety as to the accuracy of GST accounting and reporting, including annual GST internal checking processes.
- (g) Ensure contract and document formats are GST compliant.
- (h) Manage the GST status of fees and charges through Council's fees and charges register and through reference to GST legislation.
- (i) Manage the GST status of appropriations, grants and subsidies.
- (j) Maintain working papers to support the claiming of input tax credits.
- (k) Provide GST training to key Council personnel.
- (l) Establish and manage GST administrative key performance indicators focussing on the timely submission of BAS returns, communication of tax variations to the Australian Taxation Office, and timely refund of tax credits.
- (m) Maintain rigorous reconciliation processes and working papers to substantiate GST processing and returns.
- (n) Allocate responsibility for updating Council staff and managers on relevant changes to GST legislation.
- (o) Undertake GST sample testing.

Related policies/legislation/other documents:

DOC ID	DOCUMENT TYPE	DOCUMENT NAME
-	Legislation	<i>A New Tax System (Goods and Services Tax) Act 1999</i>
-	Legislation	Local Government Regulation 2012
3207727	Framework	<i>Logan City Council GST Control Framework</i>