

Monies Held in Trust by Council

Head of Power

Local Government Act 2009

Related Legislation

Local Government Regulation 2012

Objective

To ensure Council correctly administers and accounts for monies held in trust.

Definitions

CEO means Council's Chief Executive Officer.

Law includes Council policies and local laws.

Operating bank account means a bank account established to hold Council's operating funds.

Trust bank account means a bank account established to hold trust monies.

Trust QTC cash fund means an at-call investment account established to hold trust monies.

Trust term deposits means investment accounts established to minimise financial institution risk.

Trust monies means monies held in Council's trust account on behalf of outside parties, for example, tender deposits, contract deposits, house removal bonds and development application bonds. Council performs only a custodian role for these monies unless the outside party defaults on the commitment to which the trust money relates.

Trust ledger means a system established to record and account for trust monies.

Application

This policy applies to all monies held in trust by Council.

Policy Statement

Council performs only a custodian role for trust monies unless the outside party defaults on the commitment to which the trust money relates. Therefore, the highest degree of probity and care is to be exercised when administering and accounting for trust monies. The following systems and controls are to be established for the management of trust monies:

1. Operation of a Trust bank account, Trust QTC cash fund and Trust term deposits
 - 1.1 Council has established and will continue to maintain a Trust bank account to hold trust monies received by Council.
 - 1.2 All trust monies received by Council are to be promptly banked into the Trust bank account.

- 1.3 Unless otherwise required by law:
- (a) interest earned on monies held in the Trust bank account and Trust QTC cash fund are to be paid into Council's Operating bank account on a monthly basis; and
 - (b) interest earned on Trust term deposits are paid directly to Council's Operating bank account on maturity.

- 1.4 Unless otherwise required by law or specified in an agreement between the parties, the return of monies held in trust to the relevant party is not to include interest earned during the period in which the monies were held in Council's Trust bank account.

2. Maintenance of records of trust monies

- 2.1 Council has established and will continue to maintain systems and controls which ensure that all trust monies administered by Council are promptly and correctly recorded in Council's financial records in accordance with the Local Government Regulation 2012.
- 2.2 The Accounting Services section is responsible for the operation and management of a Trust Ledger, comprising a record of all trust monies received by Council and the movement of those monies into and out of the Trust bank account.
- 2.3 The Accounting Services section is to perform a monthly reconciliation between the Trust bank account and the Trust Ledger to ensure the proper accounting for trust monies.

Related Documents

Nil.

Review and evaluation

This policy will be reviewed for applicability, effectiveness, and consistency with relevant legislation, Council resolutions, and other Council documents. Reviews of this policy will occur as required, or at least once every four years.

Responsibility

This Policy is to be:

- (1) implemented by the Accounting Services Manager; and
- (2) reviewed and amended in accordance with the "Review Triggers" by the Director Finance & Corporate Services.

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