

REGIONAL COUNCIL OF GOYDER

	INTERNAL CONTROL POLICY	Department	F&A
		Version No:	3.0
		Adopted:	Aug 2008
		Reviewed:	Sept 2022
		Next Review:	Sept 2024
		Responsibility:	DOF

1. INTRODUCTION

To comply with Section 125 of the *Local Government Act 1999* Council requires that adequate policies, practices and procedures of internal control are developed, implemented and maintained to assist the Council to carry out its activities in an efficient and orderly manner, to ensure adherence to management policies, to safeguard the Councils assets, and to ensure [as far as possible] the accuracy and reliability of Council records.

It is also Council policy to develop procedures that enable a high level of compliance with Council policies and procedures, Australian Accounting Standards, the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 to be achieved.

Internal Control is concerned with responding to the risk management of all the operations of Council including both the financial and other operations.

Internal Control and risk management are key components of a sound governance framework. Governance concerns leadership and incorporates long term planning, compliance, internal control, risk management, resource allocation, accountability and transparency.

Internal Control is based on three elements:

- Control environment
- Information system
- Control procedures

The control environment comprises organisational structures and culture and includes:

- Management operating style
- Levels of responsibilities and authorities
- Audit practices
- Use of information technology
- Human resource management practices

The control environment requires Council to conduct an evaluation of the risks to which Council operations are exposed. This should include both financial and non-financial risks.

The information system comprises all of the records and reporting methods of Council used to maintain accountability for assets, liabilities, income and expenses and for the achievement of the objectives of Council.

Control procedures comprise those policies and procedures established to ensure that the objectives of Council are achieved in an efficient and effective manner. These include:

- Document control
- Reconciliations

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- Physical access controls
- Protection of assets
- Financial accounting procedures and practices
- Information technology controls
- Budgeting and reporting
- Management controls
- Records management
- Legislative Compliance

Internal control is integral to risk management. In establishing and assessing internal control systems and practices, it is necessary to recognise that in practical terms a certain level of risk will always exist. The purpose of internal control is to provide assurance that the internal risks faced by Council are contained to acceptable levels. These risks are in respect to the financial, political, human resource, technical, information and technological operations of Council.

2. RESPONSIBILITY

The elected member body is responsible for the Internal Control Policy of Council.

The Chief Executive Officer is accountable to the elected member body for developing and implementing such internal control systems and procedures as are necessary to ensure that the objectives of Council are achieved in an orderly and efficient manner.

Directors are responsible for development of adequate internal control procedures and for their implementation, evaluation and revision on an ongoing basis in respect to all of the functions of Council under their control.

Council employees are responsible for conducting their duties in accordance with internal control policies, procedures and practices of Council. They are also responsible for reporting to management when they consider that internal control procedures are inadequate or are not being complied with.

3. PROCEDURE

Audits and reviews are conducted in respect to areas of statutory compliance by the Council, and a report submitted to the Council providing details of the outcome.

Action is taken to monitor the performance of all areas of Council operations to ensure that they are consistent with the requirements of the Council, achieve the objectives of the Strategic Plan and are conducted in an efficient and effective manner.

Regular reports shall be provided to keep the Council informed in respect to progress in areas of significant operations.

Adequate control is maintained in respect to financial operations and legislative requirements when regular reports provided to the Council covering all areas of income and expenditure. Council staff are required to prepare an annual Internal Control Report outlining;

- the systems in place for internal controls,
- Internal audit testing results, and
- A progress report of the current action plan generated from the Better Practise Model.

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Systems and procedures are in place to safeguard all assets of the Council.

4. RECORDS

All records should be kept confidential and be treated in accordance with Local Government GDS40.

5. REVIEW

This document shall be reviewed by Council within two (2) years (or on significant change to legislation or aspects included in this policy that could affect the health and safety of workers).

6. REVIEW HISTORY

Document History	Version No:	Issue Date:	Description of Change:
	1.0	18/3/08	Adopted.
	1.1	9/6/15	Refer NCOR-62015-2305
	1.2	18/10/16	Reviewed by AC – 07/16
	1.2	15/11/16	Reviewed by Council – 10/19
	2.0	17/9/18	Reviewed by AC - 187/18
	3.0	15/9/20	Reviewed by AC – 13/20
	3.0	20/10/20	Reviewed by Council -189/20
	3.0	20/9/22	Reviewed by AC – 10/22
	3.0	18/10/22	Reviewed by Council – 186/22