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<b>Responsible Officer(s):</b>	<i>Manager Corporate Services</i>
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<b>Applicable Legislation:</b>	<i>Local Government Act 1999 Local Government (Financial Management) Regulations 2011</i>
<b>Relevant Policies:</b>	<i>Whistleblower Protection Policy</i>
<b>Related Procedures:</b>	<i>Internal Financial Controls Assessment</i>
<b>Delegations:</b>	<i>Chief Executive Officer/ Manager Corporate Services and Delegations Register</i>

### Purpose

Council recognises that it has a responsibility to ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the Council to carry out its activities in an efficient manner and to safeguard the Council's assets and to secure as far as possible the accuracy and reliability of Council's records. Internal financial control is a key factor in ensuring that the Council is effectively and efficiently managed and that its resources are not misused or misappropriated.

### Principles

Internal financial control is designed to assist the organisation in addressing risk of fraud and error and improving reliability of financial reporting and compliance with laws, regulations and policies. It focuses on Council's financial processes and functions that deal with budgeting, financial reporting, transaction processing, financial delegations, treasury management, infrastructure management etc.

Internal financial control will not remove all risk but is a means of either eliminating or reducing the likelihood and consequence of adverse events.

An effective suite of internal controls is a vital tool for Elected Councils and Chief Executive Officers to ensure that they carry out their activities in an efficient, compliant, reliable and transparent manner. A comprehensive and robust system of internal control will include policies, practices and procedures that provide a framework that ensures:

- Objectives listed in Council's Strategic Plan are monitored and reported in an efficient and orderly manner.
- Reporting of information is accurate and reliable to facilitate sound decision making.
- Policies and procedures are followed.
- Compliance with relevant legislation and regulations applicable to Local Government.
- Assets are secured and protected from unauthorised use.
- Records are complete, accurate, secure and reliable.
- Risks are identified, assessed and mitigated where possible.

The Berri Barmera Council is committed to upholding the principles of transparency and accountability and therefore reference is made between this policy and that of the Whistleblower Protection Policy.

The Council and Chief Executive Officer have a responsibility to ensure that the operations of council are conducted in compliance with appropriate laws, regulations and standards. The internal controls:

- Reflect a co-ordinated and systematic approach to risk management;
- Be embraced by management and the responsible officers within the organisation;
- Be consistently recorded within a whole-of-organisation framework;
- Have an associated plan of action to ensure that the controls are correctly implemented, some of these actions may include
  - Document control,
  - Reconciliations and verifications,
  - physical asset controls and regular revaluations,
  - financial accounting procedures including segregation of duties,
  - information technology controls,
  - budgeting and reporting procedures,
  - record and data security,
  - risk assessments
- Include procedures for reporting immediately any significant control failings or weaknesses that are identified together with details of corrective action being undertaken; and
- Be subject to periodic review at a frequency appropriate for each control.

### Internal Control Framework

Council maintains internal control procedures relating to the following business activities:

Accounts Payable	Accrued Expenses	Banking
Borrowings	Budgets	Contracting
Credit Cards	Debtors	Elected Members
Employee Provisions	Employee Reimbursements	Fee for Service
Fixed Assets	General Ledger	Grant Funding
Inventory	Investments	Loans/Grants to Clubs etc.
Management Reporting	Other Expenses	Other Revenue
Payroll	Petty Cash	Prepayments
Project Costing	Purchasing & Procurement	Rates
Receipting	Statutory Reporting	Taxation

Controls can be divided into 3 categories:

- Preventative – processes put in place to avoid undesirable events from occurring.

- Detective – processes put in place to detect and subsequently correct undesirable events that have already occurred.
- Directive – processes put in place to encourage a desirable event to occur.

The following steps are carried out in order to develop and maintain adequate internal financial controls:

- Examine current procedures relating to the above business activities of Council;
- Identify key risks threatening the achievement of Council's objectives;
- Identify existing internal financial controls;
- Assess current controls for effectiveness;
- Identify any new controls needed as well as existing controls requiring adjustment;
- Identify relevant officer for each internal control.

In order to maintain confidence in the internal controls a regular spot check on key controls is undertaken. As well as spot checking, a full review is carried out on an annual basis. The outcomes of each review is then reported to the Audit Committee of Council.

A manual of internal control procedures has been established and is maintained and read in conjunction with this policy.

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