


DISTRICT COUNCIL OF LOWER EYRE PENINSULA

Internal Controls



	FIN-POL-08 – INTERNAL CONTROLS	Version No:	1.1
		Issued:	July 2019
		Next Review:	July 2021

Responsibility:	Finance
Minutes reference:	C201 (2)
Applicable Legislation:	Local Government Act 1999 Local Government (Accountability Framework) Amendment Act 2009 Local Government (Financial Management) Regulations 2011 Australian/New Zealand Standard AS/NZS ISO 31000:2009
Related Policies/Procedures/Codes:	FIN-PRO-08 - Internal Control Procedures Risk Management Policy & Framework
Review Frequency:	Biennially

1. INTRODUCTION

Financial internal controls are critical to effective risk management of Council's operations.

Council is committed to maintaining an effective Internal Control environment.

2. POLICY OBJECTIVES

Council's objectives of this Policy are:


- a) Risks relating to the stewardship of public resources are adequately managed through effective internal controls;
- b) To provide a framework for an effective internal control system which conveys to managers that they are responsible for ensuring that internal controls are established, documented, maintained and adhered to across the council and conveys to all employees that they are responsible for adhering to those internal controls;
- c) To ensure the propriety of transactions, information integrity, regulatory compliance and achievement of Council objectives through operational efficiency.

3. POLICY STATEMENTS

3.1 Risk Management Approach

Council will maintain an internal control framework, which will be based upon a proactive risk management culture. The types of risks identified in the framework will be those which may prevent council from meeting its objectives or from maximising its opportunities.

One of the risk areas covered by Council is in financial management, for which internal controls will be identified, documented and managed. It is recognised that all risks cannot be eliminated, however the internal controls applied should reduce the likelihood of the risk occurring to within acceptable limits.

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3.2 Roles and Responsibilities

The Council is responsible for approval of the Internal Control Policy and the Chief Executive Officer for developing and maintaining an internal control framework.

Updates on changes to the framework will be presented to the Audit Committee.

Following receipt of the Auditors Report & Statement to Council outlining the integrity of the financial statements and internal controls, the Chief Executive Officer and the principal member of Council must also sign the financial statements in regard to internal controls as required by Local Government (Financial Management) Regulations 2011 14.

The Senior Management Team must use a risk management approach to identifying and assessing risks and apply cost/benefit analysis in the development of internal controls.

Council employees must conduct their duties in accordance with internal control policies procedures and practices of Council.

3.3 Elements of an Internal Control Framework

The essential elements of an effective internal control framework are:

- Structure and culture of Council;
- Delegations of Authority;
- Policies and procedures;
- Trained and properly qualified staff;
- Information Technology controls;
- Review process e.g. internal audit;
- Liaison with auditors and legal advisors;
- Senior Management commitment to internal controls compliance;
- Risk identification and assessment.

4. Review of Policy and Database of Internal Controls

Council's Internal Control Policy will be reviewed biennially. The database of internal financial controls will be reviewed at least every twelve months to ensure all controls are current and appropriate and the Senior Management Team and the Audit Committee will be informed of the outcome of each review and updated regularly on progress with action plans identified during the reviews.



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SIGNED:

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CEO

Date: 19 / 07 / 2019

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Mayor, DCLEP

Date: 19 / 07 / 2019

DOCUMENT HISTORY

Version:	Issue Date:	Description of Change:
1.0	March 2016	Adopted.
1.1	19/07/2019	Reviewed without amendment.