

# Internal Controls Policy

## 1. Policy Statement

Council will 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 and controlled manner. Internal Controls ensure adherence to management policies, to safeguard Council's assets and to secure as far as possible the accuracy and reliability of Council records.

## 2. Scope

This policy applies to the whole of Council.

## 3. Definitions

**Audit Committee** is a committee of Council established under Section 126 of the Local Government Act. Its key responsibilities include reviewing annual financial statements, providing input to strategic management plans and reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis. At Playford the Corporate Governance Committee undertakes the responsibilities of this committee.

**Corporate Governance Committee** is a committee of the City of Playford that incorporates all the powers of the Audit Committee in addition to further responsibilities as adopted by Council.


**Internal Control** is a process for assuring achievement of objectives, while managing risks in operational effectiveness and efficiency, reliable financial reporting, and compliance with legislation, regulations and policies.

**Staff** includes employees, contractors, volunteers and all others who perform work on behalf of council.

## 4. Legislation and References

Local Government Act 1999

- *Section 125 Internal Control Policies*
- *Section 126 Audit Committee*
- *Section 128 Auditors Opinion to be issued relating to the adequacy of internal controls.*

|   |                         |                                |                           |          |
|---|-------------------------|--------------------------------|---------------------------|----------|
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|   | Document Maintained by: | Risk & WHS                     | Next Review Date:         | 22/09/19 |

Local Government Financial Management Regulations 2011

- *Regulation 14 Certification of Financial Statements*
- *Regulation 17 Audit Committee*
- *Regulation 19 Auditors Internal Control Opinion*

Better Practice Model – Financial Internal Control for South Australian Councils

## 5. Policy

To ensure that an effective system of internal controls is maintained, Council will:

- Implement internal controls where risks are identified
- Develop a culture of risk awareness and risk mitigation.
- Comply with all relevant legislation.
- Comply with the requirements of the Better Practice Model – Financial Internal Control for South Australian Councils.
- Review Council policies on a regular basis
- Ensure systems are in place to safeguard Council assets as far as reasonably practical.
- Ensure a robust records management system is in place.
- Ensure a process is in place to monitor the effectiveness of internal controls through internal and external audits.

### *Internal Audit*

The role of internal audit is to provide independent assurance that Council's risk management, governance and internal control processes are operating effectively.

## 6. Responsibilities

The Risk & WHS Team is responsible for communicating this policy across the organisation.

## 7. Relevance to Strategic Plan

Outcome 5.1 Highly performing organisation

## 8. Supporting Documentation

- Code of Conduct for Elected Members
- Code of Conduct for Employees
- City of Playford Limits of Authority Policy

## 9. Approval and Change History

| Version | Approval Date | Approval by                       | Change  |
|---------|---------------|-----------------------------------|---|
| 1       | 12/02/2008    | Full Council                      | Initial Policy  |
| 2       | 22/09/2015    | Full Council<br>(Resolution 2291) | Change to formatting as a result of new policy template, internal audit section added, procedural elements removed from Policy. |