Purpose

This policy serves as a framework for the Shire's commitment to effective internal controls, encompassing financial and non-financial matters, to ensure efficient management and safeguarding of resources.

Background

The implementation and maintenance of systems and processes are crucial for ongoing assessment and improvement of internal controls in alignment with ISO31000 and the Shire's Risk Management Framework.
Internal control is not limited to financial matters. An effective internal control environment provides the means by which the Shire can successfully address and mitigate any risks.

Objectives

This policy is intended to guide employees and contractors who use social media as part of their job or in a personal capacity. It applies anytime an employee is using social media in relation to:

- The Shire of Northampton;
- Its products or services;
- Its people; and
- Its competitors and/or other business-related individuals or organisations.

Depending on the circumstances, non-compliance with this policy may be a breach of employment, misconduct, harassment, discrimination, bullying or some other unlawful behaviour.

Those who fail to comply with this policy may be subject to disciplinary action, up to and including termination of employment.

Personal and professional use of social media by the Shire of Northampton employees and contractors must not:

- Bring the Shire of Northampton into disrepute;
- Imply the Shire of Northampton’s endorsement of personal views;
- Disclose confidential information;
- Make disparaging or derogatory comments of the Shire of Northampton, colleagues, customers, clients or competition; or
- Compromise effectiveness at work (e.g. through excessive use).

Area of Application

This policy applies to all Council Members, Executive Managers, and Workers, providing guidance for effective management and resource utilisation.

Policy Measures

The internal control policy aims to minimise or contain internal risks within acceptable levels, as outlined in the Shire's Risk Management Policy. The CEO has delegated responsibility for operational and financial management, ensuring the establishment and maintenance of effective internal controls.

The CEO ensures that appropriate and efficient internal controls are in place covering:

a) Staffing and segregation of duties;
b) Information Technology;
c) Documented procedures and processes covering the recording, reporting and authorisation of transactions;
d) Monitoring performance and adherence; and
e) Legislative activities.

1. KEY FOCUS AREAS

a) Plan for the future; ensure efficient monitoring and reporting of Council's Strategic Community Plan objectives;
b) Accuracy and Reliability – maintain accurate reporting to facilitate informed decision-making;
c) Compliance – ensure adherence to relevant legislation and regulations;
d) Asset Protection – secure assets from unauthorised use;
e) Record Integrity – maintain complete, secure and reliable records;
f) Risk Mitigation – identify, assess and mitigate risks; and
g) Accountability and Transparency – establish strong internal controls fostering community trust and confidence.

2. INTERNAL CONTROL

Effective internal control involves:

2.1 Establishing an appropriate control environment

Emphasise compliance with policies, codes of conduct, directives, procedures and values, supported by adequate training and technology usage.

2.2 Assessment of Risks

Adopt a proactive risk management approach, regularly reviewing and identifying risks in accordance with the Shire's Risk Management Framework and Risk Management Policy.

2.3 Implementation of Control Activities

Implement preventative, detective, and directive control measures below.

a) Preventative Control Measures such as training programs, improvement and thorough review of contract conditions; regular

review of policies and procedures, and security to avoid undesirable events from occurring.

b) Detective Control Measures such as audits, review and reconciliation processes to detect and subsequently correct undesirable events that have already occurred.

c) Directive processes such as Business Continuity Plans, Disaster Recovery Plans, insurance, education and disciplinary procedures to encourage continuity and mitigation of risk.

2.4 Information and Communication

Ensuring clear communication about internal controls throughout the Shire which includes documenting procedures, staff training and keeping everyone informed about updates.

2.5 Monitoring and Review Activities

Successful internal control implementation is indicated by:

a) Risk management reviews undertaken annually by the Local Government Insurance Scheme (LGIS);
b) Completion of the Compliance Calendar on a quarterly basis; and
c) Completion of the annual Compliance Audit Return.

3. OUTCOMES

Successful internal control implementation is indicated by:

a) Efficient resource utilisation;
b) Timely detection and correction of anomalies;
c) Asset protection and authorised use;
d) Integrity and accessibility of records; and
e) Effective risk containment.

4. ROLES AND RESPONSIBILITIES

4.1 Council

Council is responsible overseeing the Internal Control Policy.

4.2 Chief Executive Officer (CEO)

The CEO is accountable to Council for developing and implementing effective systems, promoting best practices and reporting to Council on internal control effectiveness.

4.3 Workers

Workers are responsible for adhering to internal control policies and procedures reporting inadequacies to management.

Reference Information

- Introduction to Local Government Accounting – 4.4 Internal Control and Risk

Management (Department of Local Government, Sport and Cultural Industries);
- Integrated Planning and Reporting – Long Term Financial Plan Guidelines (Department of Local Government);
- Local Government Operational Guideline No. 9 – Audit in Local Government (Department of Local Government, Sport and Cultural Industries);
- Shire of Northampton Register of Delegations, Authorisations and Appointments;
- Shire of Northampton 2.3 Purchasing Policy; and
- Shire of Northampton 2.13 Risk Management Policy.

Legislation

- *Local Government Act 1995*
- *Local Government (Financial Management) Regulations 1996.*
- *Local Government (Audit) Regulations 1996*
- *Financial Management Act 2006*
- *State Records Act 2000.*
- *Local Government (Miscellaneous Provisions) Act 1960;*
- *Planning and Development Act 2005, sections 214(2), (3) and (5).*

Associated Documents

- Shire of Northampton Employee Code of Conduct
- Shire of Northampton 1.4 Councillor Training and Professional Development Policy
- Shire of Northampton 2.13 Risk Management Policy

DEFINITIONS

Terms	Definition
Detective Controls	An accounting term that refers to a type of internal control intended to find problems within the Shire's processes.
Internal Control	A comprehensive process supported by policies, procedures and practices, ensuring objectives related to operations, financial data and compliance are achieved.
ISP documents	Integrated Strategic Planning documents comprising of the Council's Strategic Community Plan and other plans that guide the Shire's operations.
Preventative Action	A system to eliminate any cause(s) that would create a potential hazard or undesirable situation. Changes can be made or implemented to address an issue, hazard or weakness in a system. Preventative action can include ways to improve an organisation's workflow or situation.

Preventative Controls	Attempt to prevent or control undesirable acts from occurring. They are proactive controls, designed to prevent a loss, error or omission.

Administration

This policy will be administered by the Office of CEO.

Adoption and Date Due for Revision

ADOPTED 20 FEBRUARY 2025
REVIEWED N/A

NEXT DUE FOR REVIEW 20 FEBRUARY 2030 (or earlier if required)

The Administration of this Policy is by the Office of CEO.