

# Cyngor Cymuned Trefriw Community Council

## STATEMENT OF INTERNAL CONTROL

### SCOPE OF RESPONSIBILITY

Trefriw Community Council is a local authority funded largely by public money, and is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, Trefriw Community Council (the Council) is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

### THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk which might result in failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control will be in place at the Council for the year starting 1st April 2022 up to and including the date of the approval of the annual accounts in June 2023 and accords with proper practice as set out in the Practitioners' Guide to Governance and Accountability in Local Councils (2019 Edition).

### THE INTERNAL CONTROL ENVIRONMENT

#### The Council

The Council reviews its obligations and objectives and approves a budget for the following year at its December or January meeting. The meeting of the Council in January 2022 approved the level of precept for the following financial year.

Members of the Council monitor progress against objectives, quarterly as a minimum.

The full Council meets at least eleven times each year. It monitors progress by receiving relevant reports from the Council Clerk.

All expenditure must be authorised by full Council, except:

- where the Council Clerk, in conjunction with Chairman of the Council or the Chairman of the appropriate committee, considers expenditure is necessary for any items below £500;
- any urgent expenditure for items over £500 but below £5,000 if approved by the Council Clerk, the Chairman of the Council and one further Councillor

The Council will carry out a yearly review every April of its internal controls, systems and procedures in conjunction with the Chairman and the Clerk carrying out additional reviews and interrogation of the accounts as required.

## **Clerk to the Council / Responsible Financial Officer**

The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. The Clerk is the Council's Responsible Financial Officer and is responsible for administering the Council's finances. The Clerk is responsible for advising on the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also provides advice to help the Council ensure that its procedures, control systems and policies are adhered to.

### **Receipts**

To ensure that payments relating to Trefriw Community Council are properly documented the following clauses are added to the Council's Financial Regulations.

- 1. Invoices must be issued for all Council "Accounts Receivable" transactions*
- 2. All amounts due to be paid to the council for burial and cemetery charges shall be paid to the Council Clerk at their discretion before the burial occurs.*
- 3. All documents required before a burial can take place shall be given to the Council Clerk at least 48 hours before the burial.*

*All payments received must be banked within a reasonable time to take account of the work schedule of the Clerk.*

### **Payments**

All expenditure must be authorised by full Council or, as set out above, in conjunction with the Chairman of the Council and, if appropriate, one other Councillor. All items of expenditure must be formally recorded by the Council Clerk with the list of order numbers also stated the minute number of the authorising meeting. The list of orders is available for inspection by any member of the Council on reasonable demand.

All receipts and payments are reported to full Council at the next appropriate meeting with all members in attendance having the opportunity to scrutinise the financial record as prepared by the Council Clerk prior to formal authorisation. The Council Clerk will formally minute when queries are raised and any action that is required in order to regularise the situation.

When payments are to be made by cheque, the bank signatories will cross reference each cheque against the relevant invoice. Bank signatories will ensure that when cheques are presented for signature that the cheque counterfoil is also be initialled.

When payments are to be made by direct bank transfer through the Council's online banking facility, as passed by resolution of full Council, these will only be made by the Clerk in the presence of either the Chair of the Council or the Vice-Chair who will retain the banking security device and formally authorise online access to the bank accounts via the production of the variable PIN Code

### **Contracts**

The Council adopted an amended set of Financial Regulations at a meeting of the full Council held 10<sup>th</sup> May 2022 and these set out the tender or quotation requirements for contracts of differing amounts. The Council keeps these regulations under review annually.

## **Charities**

Trustees are appointed both from the Community Council and Conwy County Borough Council to The Higgins Gifts for Aged Poor Persons Fund Gifts for Aged Poor Persons Fund. The bank account for this charity is separate from those of the Council and are run by Conwy County Borough Council.

## **Risk Assessments / Risk Management**

The Clerk will undertake a risk assessment and will report to the Council annually in October. To guard against increases the Council has entered into a five-year contract with Zurich Insurance which is due for renewal in January 2026. Competitive quotes for insurance will be sought.

## **Internal Audit**

The Council has appointed an independent internal auditor who has reported to the Council on the adequacy of its records, procedures, systems, internal control and risk management.

The Council approved Terms of Reference for the Internal Audit on 8<sup>th</sup> March 2022.

The effectiveness of the internal audit is reviewed annually by the Council.

## **External Audit**

The Council's external auditors, Audit Wales, submit an annual Certificate of Audit, which is presented to the Council.

## **REVIEW OF EFFECTIVENESS**

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control, which should include a review of the effectiveness of internal audit. The results of that review must be considered by the Council and the Council must also approve the Statement on Internal Control.

Signed

\_\_\_\_\_  
Kim Ellis (Chair)

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Victoria Teasdale  
(Responsible Financial Officer / Clerk)

Approved and adopted by Trefriw Community Council at a meeting on