

# BAGILLT COMMUNITY COUNCIL

## DOCUMENTATION OF INTERNAL CONTROLS

This documentation has been formulated using the Practitioners Guide 2008 (Wales) on Governance and Accountability for Local Councils.

### Areas where there may be scope to use Insurance to help manage risk

#### Risk Identification

Insurance cover for risk is the most common approach for certain types of inherent risk.

The protection of physical assets owned by the Council – Bus shelters, benches, notice boards, litter bins, office equipment, Chain of Office, Past Chairman’s Badges/Heraldic Shields (loss or damage)

Damage to third party property or individuals as a consequence of the Council providing services or amenities to the public (public liability)

Consequential loss of income or non-performance by a third party; loss of cash through theft or dishonesty (fidelity guarantee)

Legal liability as a consequence of asset ownership (public liability).

#### Internal Controls

Up to date Register of Assets which is based on insurance values after initial purchase and from 2016 also includes the Annual return value as required by the Internal Auditor to meet External Audit requirements..

Regular maintenance arrangements for physical assets using private contractors to identify the risks arising from storm or other damage or wear and tear identified in the annual risk assessment undertaken for insurance record purposes in the event of a public liability claim on street furniture such as bus shelters and benches.

Annual review of the risk including adequacy of cover usually at the April Council meeting.

Ensuring the robustness of insurance providers by only using a company that is experienced in local government needs and local councils in particular.

#### Confirmation of actions relating to the above

We have examined the Insurance document that is renewed annually by the Council on 1<sup>st</sup> June, the Asset Register that is held by and updated by the Clerk as assets are changed and that the Annual Risk Assessment that is carried out by the Council using the format recommended by the Internal Auditor is fit for purpose.

..... 11<sup>th</sup> May 2016  
Councillor A. Griffiths

..... 11<sup>th</sup> May 2016  
Councillor B.T. Doleman

## **Areas where there may be a scope to work with others to help manage risk**

### **Risk Identification**

The limited nature of internal resources in the Council means if a service is to be provided it is bought in from specialist external bodies on an annual basis such as the use of a specialist IT firm to upgrade the Council's website and also the purchase of pre-paid maintenance hours from them on an annual basis and an on ad hoc basis from Flintshire County Council for the erection of street furniture such notice boards, benches and litter bins, as well as the use of private contractors, to undertake tasks on behalf of this authority which includes maintenance of street furniture.

Banking arrangements (including borrowing or lending none of which are currently carried out by the Council).

### **Internal Controls**

Standing Orders and Financial Regulations adopted by the Council dealing with the award of contracts for services that were last reviewed by the Council in September 2012 and July 2012 respectively.

Regular reporting on performance by suppliers, providers and contractors to Council meetings.

Annual review of contracts with their currently being none.

Arrangements to deter and detect fraud and/or corruption by ensuring the invoices presented are accurate and only for work carried out as agreed or goods supplied prior to payment by the Council and having the invoices available for Member perusal at the meeting which is considering payment. In addition each cheque is signed by two Members on the Bank Mandate and the cheque stubs have the initials of those who have signed the cheques. Regular bank reconciliation which is reported to the Council on a quarterly basis in July, September, January and April and independently reviewed by having the bank statements available at the said meetings for Member perusal as well as the Annual Investment Strategy carried out at the January meeting.

### **Confirmation of actions relating to the above**

We are satisfied that the above internal controls are in place and being adhered to by the Council.

..... 11<sup>th</sup> May 2016  
Councillor A. Griffiths

..... 11<sup>th</sup> May 2016  
Councillor B.T. Doleman

## **Areas where there may be a need to self-manage risks**

### **Risk Identification**

There are a number of activities that create business risks, but do not fall easily into either of the other categories for a number of reasons, principally because they are difficult to quantify or considered inefficient to have provided externally or just uninsurable.

Keeping proper financial records in accordance with statutory requirements.

Ensuring all business activities are within legal powers applicable to local councils

Ensuring all requirements are met under employment law/regulations and HM Revenue & Customs notices (Income Tax, National Insurance and VAT)

Ensuring the adequacy of the annual precept within sound budgeting arrangements.

Ensuring proper use of funds granted to local community bodies.

Proper, timely and accurate reporting of Council business in the minutes.

Responding to electors wishes to exercise their right of inspection.

Meeting the laid down timetable when responding to a consultation invitation.

Register of Members' Interests and Gifts and Hospitality in place, complete, accurate and up to date.

### **Internal Controls**

Regular scrutiny of financial records on a quarterly basis at the July, October, January and April Council meetings by way of expenditure/income report and bank reconciliation circulated to all Members as well as having the accounts ledger available and signed by the Chairman and Clerk on a quarterly basis at the same meetings.

Proper arrangements for the approval of expenditure and recording in the minutes the precise powers by way of every approved payment being included in the minutes including expenditure powers.

Regular returns to HM Revenue & Customs by way of income tax/national insurance deducted paid each month by way of PAYE RTI for only employee by on-line transmission via a payroll services company.

A regular return of VAT is done annually to the amount being claimed.

Regular budgetary monitoring statements on a quarterly basis at the July, October, January and April Council meetings by way of expenditure/income report and bank reconciliation circulated to all Members. There is also consideration of a report on estimates of income and expenditure at the January Council meeting. This incorporates estimated expenditure compared with probable/actual for the year and estimated expenditure for the following year and for income the probable/actual for the current year and estimated for the following in order to determine the precept. The effect on Council tax based on a Band D property is also included. At the financial year end accounts are prepared with balance sheet and supporting statements for Council noting with approval being by way of the Annual Return process required by the External Auditor.

Minutes properly numbered and paginated with a master copy for safekeeping by way of each year commencing with the Annual meeting both the minutes and pages commence at one and continue until the following April with one copy signed by the Chairman at the subsequent ordinary Council meeting and then two full years of signed minutes with reports are bound and then sent to the Flintshire County Record Office in Hawarden on permanent loan for safekeeping and to enable secure public perusal.

Documented procedures to deal with enquiries from the public is covered by an agreed complaints procedure and each Council meeting is subject to public notice inviting the public to attend when they are also given the opportunity to speak at the commencement of ordinary Council meetings subject to an agreed procedure.

The timetable for consultations is covered by the request being reported to the Council with the deadline specified and if the meeting is not held in time, by discussion with the Chairman and Vice Chairman to agree a response with prior other Member contact as appropriate which is reported back to the next Council meeting.

Procedures in place for recording and monitoring Members' Interests and gifts and Hospitality received by way of recording in the minutes and filling in the agreed form for the Clerk as Proper Officer to arrange for inclusion in the Register and on the website register with a copy to be kept on file.

Adoption of Code of Conduct for Members undertaken by Council in accordance with the appropriate legislation with the latest model form issued by the Welsh Government being adopted in March 2016.

### **Confirmation of actions relating to the above**

We are satisfied that the above internal controls are in place and being adhered to by the Council.

..... 11<sup>th</sup> May 2016  
Councillor A. Griffiths

..... 11<sup>th</sup> May 2016  
Councillor B.T. Doleman

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**REVIEWED BY COUNCIL 11TH MAY 2016**