

# STATEMENT OF INTERNAL CONTROLS

FOR THE YEAR ENDING 31 MARCH 2025

## SCOPE

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

In discharging this overall responsibility, 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 of 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 on-going 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 has been in place at the Council for the year ended 31 March 2021 and up to the date of approval of the annual accounts and accords with proper practice as set out in the Practitioners' Guide Governance and Accountability in Local Councils in Wales (2014 Edition)

## THE INTERNAL CONTROL ENVIRONMENT

### Organisation & Structures

#### *The Council*

The Council is the sovereign body for dealing with the consideration and approval of all financial matters.

Subject to that, the Council will make and keep under review Financial Regulations and may include within

its Standing Orders particular provisions relating to contracts.

The full Council normally meets six times each year. It monitors progress by receiving relevant reports

from the Responsible Financial Officer and the Clerk.

#### *Planning Committee*

The Council has established a Planning Committee which meets when the Council is not able to consider

responses to Planning Applications at its scheduled meetings. During 2020/21 the Committee did not need

to meet as all business relating to the Council's assets was transacted at meetings of the Full Council.

## Rules

### *Constitution & Standing Orders*

The Council adopted revised Standing Orders in March 2024. The new Standing Orders are based on Model

Standing Orders as supplied by One Voice Wales.

### *Financial Regulations*

The Council adopted an initial set of Financial Regulations on March 2024. These are based on Model Financial Regulations as supplied by One Voice Wales.

### *Investment Strategy*

The Council has not adopted formal strategy detailing the basis for investment of surplus funds as it has no surplus.

## **Positions of Responsibility**

### *The Clerk*

The Council employs a Clerk who 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 is appointed as the Council's

Proper Officer within the meaning of the Local Government Act 1972 and provides advice to ensure that the

Council's procedures, control systems and policies are followed.

The Clerk has a comprehensive job description and a formal contract of employment based on the Society

of Local Clerks model contract of employment amended to take account of local circumstances. The Clerk is

paid via PAYE and the Council has made appropriate employer National Insurance contributions .

### *Responsible Financial Officer*

The Clerk as the Council's Responsible Financial Officer is accountable for administering the Council's Finances in a proper fashion.

### *Bank Mandates & Authorised Signatories*

In respect of the Community Council's own funds, signatories for the Council's accounts with the HSBC are

authorised by the Council and are set out on the relevant bank mandate.

### *Budget Setting*

The Council considered a draft budget for 2024/25 and approved the level of precept for the financial year

for 2024/25 in January 2024.

### *Budgetary Reporting*

The Responsible Financial Officer provides regular budget monitoring reports to the Council indicating

monies spent, committed and forecast against budget

### *Contracts*

The Council engages contractors on the basis of quotations which are evaluated on the basis of price and

quality. In February 2024 the contracts for Grounds Maintenance and Grass Cutting for the two Cemeteries

were put out to tender for the years 2024/25, 2025/26 and 2026/27 and awarded.

Insurance was renewed with Came & Co in June 2019 for 3 years until June 2022.

### *Payments*

All expenditure is authorised by the Council at its scheduled monthly meetings. All receipts and payments

are reported to the Council. Two members of the Council sign every payment in accordance with provisions of s.150 (5) of the Local Government Act 1972 prior to its repeal. Although the Council could adopt a different process, the Council intends to retain the two signatory authorisation / control until further notice.

#### *Petty Cash*

The Council does not maintain a Petty Cash account.

#### *Receipts*

Monies received are paid into the Council's current account and recorded in the accounts spreadsheet. The full accounts are held on an excel spreadsheet.

### **Control of Risk**

#### *Risk Management*

The Council has reviewed the risks it considers relevant to its operations and has created a Risk Register detailing these. The register categorises risks as High, Medium or Low and details the Council's strategy in response to each.

The Council's overall approach to Risk Management is set out in its Risk Management Policy which was adopted by the Council on .

#### *Insurance*

The Council carried appropriate insurance with Came & Company during 20/21,

#### *Internal Audit*

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

#### External Audit

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

### REVIEW OF EFFECTIVENESS

In accordance with the Accounts and Audit (Wales) Regulations 2014, the Council has conducted a review of the effectiveness of the system of internal control which included a review of the effectiveness of internal audit. The review was completed on 5<sup>th</sup> March 2024 and was adopted on 27<sup>th</sup> March 2024 when the Council approved this statement of Internal Control.

Aled Rees

Gwyn Davies

Chairperson

Responsible Financial Officer

Considered and adopted by Cyffylliog Community Council at it's meeting on 27<sup>th</sup> March 2024