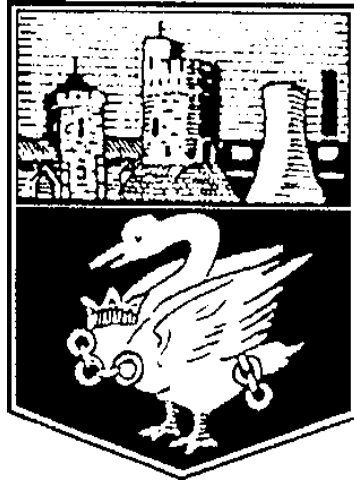




CALDICOT TOWN COUNCIL

INTERNAL CONTROL POLICY

Adopted at FTC 29 July 2026

(Review date AM 2027)

1. POLICY STATEMENT

Caldicot Town Council is responsible for ensuring that its public business is conducted within the law and proper standards and that public money is used efficiently, economically, and effectively. In order to achieve this, the Council acknowledges that it is 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.

2. PURPOSE OF INTERNAL CONTROL

The Council's system of internal control is designed to ensure that its activities are carried out properly and as intended. This system is set up by the Council's Clerk / Responsible Financial Officer (Clerk/RFO). It falls upon all the Council members, however, to ensure that they have a degree of control, and that the effectiveness of the system is reviewed at least annually. Current advice regarding these controls is set out in Governance and Accountability for Local Councils in Wales - A Practitioners' Guide (2019).

3. FINANCIAL ASSESSMENT

The Council shall follow its adopted Financial Regulations. The main areas of internal control are:

3.1. Online banking payments procedure are carried out in line with the adopted Financial Regulations. All invoices in support of direct debit/standing order payments are checked by the Clerk/RFO and approved by Council in meetings either before or retrospectively. Online banking is operated for invoices, payroll, pension and HMRC Tax and NI payments. Hard copies are checked by the Clerk/RFO and approved by Council in a meeting.

3.2. The Clerk/RFO prepares a schedule of payments requiring authorisation and together with the relevant invoices it will be presented on the agenda of a Council meeting. The detailed list of payments shall be recorded on the Minutes of the meeting at which the payments were authorised. The Mayor / Chair of Council signs these Minutes.

3.3 Wages and Salaries – the processing of salary calculations and monthly HMRC reporting is contracted out to a local accountant. PAYE records are maintained for all employees. Statutory deductions paid to HMRC for Tax and NI, and contributions to pension schemes are processed monthly. Salary/wages payments are reported to Council monthly. Changes to pay/hours must be authorised by Council. National pay scales are reviewed annually, and any changes must be authorised by Council.

3.4. The annual budget is approved by Full Council each year prior to setting the Precept. Once approved, the budget must be regularly monitored and reviewed by the Finance Committee and/or Full Council to ensure expenditure remains within approved limits and that the Council's financial position is effectively managed. At the time of adopting this policy, all financial monitoring and budget reviews will be undertaken by Full Council until the Council has recruited its full complement of staff.

3.5 The Clerk/RFO administers the accounts in a proper manner ensuring correct records and internal and external audits are completed. Quarterly Financial detailed reports are presented to Council.

3.6. A Verification Councillor shall at least once every quarter checks the accounts and bank reconciliations with the Clerk/RFO.

3.7. An independent Internal Auditor is appointed by the Council – currently IAC Auditing and Consultancy Ltd. The Internal Audit Reports are reported to Full Council. The Council must take note of any findings or recommendations, to ensure correct standards of accounting are maintained in the future.

3.8. The External Auditors, currently Audit Wales, carry out the External Audit for the Council. Any findings and recommendations from the External Auditor will be reported to Full Council. The Council must take note of any findings or recommendations, to ensure correct standards of accounting are maintained in the future.

3.9. The Council has a responsibility for conducting an annual review of the effectiveness of the system on Internal Control. This is performed by Full Council and the Clerk/RFO at the Annual Meeting.

4. STANDING ORDERS

The Council shall abide by its “Standing Orders”, which have been adopted by the Council and supplied to all Councillors.

5. INSURANCE

The Council shall review its insurance policy annually at renewal to ensure adequate cover is in place. All new capital items are to be insured at time of purchase.

6. RISK ASSESSMENT

The risk assessment of the Council's financial management shall be reviewed annually at The Annual Meeting of Council.

7. TOWN COUNCILLORS

Councillors shall endeavour to work as a team and be aware of their responsibilities as to the law and proper Council procedures. Councillors must attend meetings regularly. They will be provided with a copy of "The Good Councillors Guide" and be familiar with and endeavour to comply with appropriate legislation. The Clerk/RFO will endeavour to see that the Council operates in accordance with the law and maintains the correct records as required by the law.

8. Council Committees

The Council conducts its business through a system of Committees and, where appropriate, Working Groups to consider and investigate specific matters within defined terms of reference.

Each Committee shall have an appointed Chair who is responsible for the effective conduct of Committee meetings. This includes ensuring that meetings are managed in accordance with the Council's governance arrangements, agendas are followed, discussions remain focused on the matters under consideration, and recommendations are formulated in an orderly and transparent manner.

Committees and Working Groups shall operate within the authority delegated to them by the Council and shall report their findings and recommendations in accordance with the Council's approved governance and decision-making procedures.

9. ASSET REGISTER

The Council shall maintain an Asset Register, which is reviewed at the Annual Meeting. Asset Inspection is undertaken regularly. Disposed items are recorded on Asset Register.

10. DECLARATIONS OF INTEREST

Councillors are asked, at the start of each meeting, if they have any interests to declare, and if they do, it will be so minuted with the reason why. If the interest is a Disclosable Pecuniary Interest, they must leave the meeting during the discussion of the relevant item unless a Dispensation has been approved.

11. Property

The Council shall maintain an asset inspection register to ensure that all Council property and facilities are kept in a safe, serviceable and well-maintained condition.

Councillors and/or designated members of staff shall undertake and record weekly visual inspections of all Council-owned property, including play and recreation areas, to identify any obvious defects, damage, hazard, or maintenance requirements.

In addition, a suitably qualified external contractor shall undertake and document monthly operational inspections of the Council's play and recreation areas to assess the condition, functionality and safety of equipment and associated facilities.

An independent annual playground safety inspection shall be carried out by RoSPA or another appropriately qualified independent inspector, with any recommendations reviewed by the Council and appropriate remedial action taken in a timely manner.