

Cyngor Cymuned Trefriw Community Council

STATEMENT OF INTERNAL CONTROL FOR THE YEAR ENDING 31 MARCH 2012

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 has been in place at the Council for the year ended 31 March 2012 and up to the date of approval of the annual accounts and accords with proper practice as set out in the Practitioners' Guide to Governance and Accountability in Local Councils (2010 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 2011 approved the level of precept for the following financial year.

Members of the Council monitor progress against objectives.

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. The Clerk has delegated authority to incur expenditure of up to £200 on urgent matters.

The Council carries out regular reviews of its internal controls, systems and procedures.

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

In May 2011, a weakness was identified in the system for receiving payments relating to Trefriw Public Cemetery. No invoices for fees had been issued, although some receipts had been, and individuals were not always identified against the entries in the accounts. This needed rectifying and new clauses were inserted into the Financial Regulations that:

- A. Invoices must be issued for all burial fees and shall bear the name of the deceased*
- B. All amounts due to be paid to the council for burial and cemetery charges shall be paid to the Clerk at least 48 hours before the burial occurs.*
- C. All documents required before a burial can take place shall be given to the Clerk at least 48 hours before the burial.*

These additions were proposed and adopted by the Council at the meeting on 7th June 2011.

Because the gates of the cemetery were unlocked there was a lack of control over activities there. In August, 2011 the main gates were locked, resulting in tighter control of activities. Keys are issued to funeral directors, memorial masons etc. on short term loan only and must be signed for and returned to the Clerk when the work has been done. This system is resulting in better collection of fees owing to the Council.

Payments

All expenditure must be authorised by the Council or (as set out above) by the Clerk after consultation with the Chair. All one-off items of expenditure, other than out of petty cash, must be recorded on an official purchase order form, with the list of order numbers recording the Minute number of the authorising meeting where possible. The list of orders is available for inspection by any member of the Council on demand.

All receipts and payments are reported to the Council at meetings. Two members of the Council must sign every cheque or order for payment. The signatories check each cheque against the relevant invoice, sign the invoice and initial the cheque counterfoil. All authorised cheque signatories are members of the Council.

Contracts

The Council adopted a new set of Financial Regulations at a meeting of the full council held on 3rd May 2011 and these set out the tender or quotation requirements for contracts of differing amounts.

Charities

The Clerk, as Proper Officer of the Council, is joint trustee with Mr. K. Finch of Conwy County Borough Council, of two charitable bodies, the Henry Higgins Charity and the Gifts for Aged Poor Persons Fund. The bank accounts of these Charities are 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 on 8th May .The Community Council's insurance cover has been reviewed and reduced to half its previous level. To guard against increases the council has entered into a three year contract with Came & Co. Insurance until December 2013.

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 3rd April, 2012. The effectiveness of the internal audit is reviewed annually by the Council.

External Audit

The Council's external auditors, Hacker Young & Co., 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

Matthew Driver (Chairman)

Valerie Hannah
(Responsible Financial Officer / Clerk)

Approved and adopted by Trefriw Community Council

12th June 2012