

# LLANGAIN COMMUNITY COUNCIL

## INTERNAL CONTROLS AND RISK MANAGEMENT POLICY

Llangain Community Council seeks to manage potential risks by adhering to the following policies and practices.

### 1. Financial Control

- a. The Clerk to the Council acts as the responsible financial officer.
- b. All income and expenditure is reported to the Council.
- c. All planned spending is matched against allocated budget headings.
- d. If the spending is unplanned but necessary, then the Council may vire money from other headings or reserves.
- e. All expenditure is accompanied by an invoice and all payments are made by means of a cheque.
- f. All expenditure is brought to meetings, approved and minuted.
- g. Cheques are then signed by two nominated signatures.
- h. Bank balances are available for scrutiny by Councillors at all times.
- i. The Council employs an Internal Auditor not influenced by or connected to the Council. The post is reviewed and voted on at the Annual General Meeting each year.

### 2. Budgetary Control.

- a. In January annually, the budget for the following financial year is resolved. This is done on receipt of the projected financial position of the Council at 31<sup>st</sup> March as prepared by the Clerk. The report contains estimated costs of essential and traditional budget headings and how that would translate to a Community rate based on the current County Council basis as advised. In addition, the Council would consider any additional monies necessary to proceed with resolved local projects and what level of reserves they wish to maintain. The Clerk will then calculate various options for spending and their effect on the Community Rate. A final budget is then set and the resultant precept is approved with the Clerk applying to the County Authority for its collection and transfer to the Community Council's accounts.

b. During the year the Clerk informs the Council of its current financial position and periodically gives a formal report showing the budget performance to date under each budget heading and projected performance to the year end based on known and estimated income and expenditure.

c. Also, during the year the Clerk will invite Councillors to bring forward suggestions for projects together with estimated potential costs, if known that they would wish to propose for the following year. If approved on principle, the Clerk then costs the projects and reports back to a subsequent meeting on all its implications - financial and otherwise. There may be further discussion and resolution but if approved they will be included when the following year's budget is prepared at the January meeting.

d. After the end of the financial year the Clerk prepares the annual accounts which involves reconciling the income and expenditure against bank balances and brings the complete accounts back to the Council for approval.

e. On approval, the accounts are submitted to the internal auditor for formal inspection and signature. At that stage notices are posted on village noticeboards notifying residents that the accounts are available for inspection.

f. On return, the auditor's report is received and approved. On approval the Chair is required to sign Section 1, Statement of Accounts and Section 2, Annual Governance Statement and the accounts are then sent to the External Auditor.

g. On their return, the Council notes the approval and considers any recommendations made by the Auditor. Again the appropriate notification is carried out.

### **3. Salary and Terms of Employment**

a. The Clerk is paid in accordance with the National agreement on Salaries and Conditions of Service of Local Council Clerks in England and Wales which is reviewed annually and updated in accordance with agreed pay awards.

b. A full set of employment policies as recommended by the Society for Local Council Clerks and One Voice Wales have been resolved and reviewed and/or updated as necessary. These include disciplinary, grievance and all other necessary provisions.

c. He is issued with a comprehensive contract of employment giving all the necessary details of pay, leave entitlement, period of notice, together with the job specification.

### **Payroll Administration**

As Llangain Community Council has no payroll facilities, the clerk is paid gross payments and is required to make his own arrangements to declare earnings to the appropriate Government agencies. The Clerk reports his earnings directly to the Inland Revenue and makes provision to pay the necessary taxes through other income sources.

#### **4. Policies regarding Statutory Requirements, and conduct and protection of the Council**

The Council seeks to adhere to the requirements of the current legislation and recommendations relating to the following. It works closely with the County Council and One Voice Wales for assistance in these issues.

- a. Code of Conduct and Declarations of Interest.
- b. Freedom of Information.
- c. Welsh Language Policy.
- d. Complaints Procedure.
- e. Policy for dealing with unacceptable actions by people against the Council.
- f. Public Notices regarding Meetings, Inspection of Accounts and Audit etc.
- g. Conduct of meetings and keeping of records.

#### **5. Asset Management and Risk Assessment**

##### **Asset Management**

The Council has a register of Assets which are insured as necessary and reviewed periodically. They are also monitored and inspection regularly by Clerk and Councillors in conjunction with officers of the County Council and any concerns reported to the Council for action.

**Insurance**

All facets of the Council's activity and its assets where considered appropriate are covered by insurance which is reviewed every year at renewal or during the year as necessary.

**Risk Assessment**

Many of the risks are covered by policies and procedures mentioned under other headings of this document. In addition the Council notes its responsibilities under the following :-

Health and Safety at Work Act 1974

Management of Health and Safety at Work Regulations 1999

**It should be noted that the Council have very few assets, own no property and very little health and safety issues.**