

Magor with Undy Community Council

Equal Opportunities Policy

This Policy communicates the commitment of the Community Council, its Members, Staff and Volunteers, to the promotion of equality and diversity in relation to Magor with Undy Community Council.

Magor with Undy Community Council is opposed to all forms of unlawful and unfair discrimination. All people and employees will be treated fairly and will not be discriminated against on any of the above grounds. Decisions about recruitment and selection of staff will be made objectively and without unlawful discrimination.

Magor with Undy Community Council recognises that the provision of equal opportunities in the community is good practice. This equal opportunities policy will help all those who are Council Members or work for the Council to develop sound and effective policies that impact on the community and surrounding areas. Magor with Undy Community Council aims to create a culture that respects and values each other's differences, that promotes dignity, equality and diversity. We aim to remove barriers, bias or discrimination that prevents individuals or groups from realising their potential and contributing fully to the community to develop a culture that positively values diversity.

It is our policy to provide services, employment and volunteering opportunities to all irrespective of:

- Gender, including gender reassignment
- Marital or civil partnership status
- Having or not having Religious belief or political opinion
- Race (including colour, nationality, ethnic or national origins)
- Disability
- Sexual orientation
- Age

Equality Commitments

Magor with Undy Community Council is committed to:

- Promoting equality of opportunity for all people.
- Promoting a good and harmonious environment in which all people are treated with respect.
- Preventing occurrences of unlawful direct discrimination, indirect discrimination, harassment and victimisation.
- Fulfilling our legal obligations under equality legislation and associated codes of practice.
- Complying with our own equal opportunities policy and associated policies.
- Taking lawful affirmative and positive action where appropriate.

Implementation

The Clerk has specific responsibility for the effective implementation of this policy. In order to implement this policy, they shall:

- Communicate the policy to Councillors, Staff, Volunteers and members of the public
- Incorporate equal opportunities into general practices
- Ensure that other people or organisations will comply with the policy in their dealings with the Council

Monitoring and Review

The effectiveness of our equal opportunities policy will be reviewed on a regular basis, and action taken as necessary.

In addition to our internal procedures, any person has the right to pursue complaints of discrimination under the following anti-discrimination legislation:

- Sex Discrimination (Gender Reassignment) Regulations and Gender Recognition Act 2004
- Civil Partnership Act 2004
- Disability Discrimination Acts 1995, 2006
- Disability Equality Duty 2006
- Equality Act 2006
- Employment Equality (Religion or Belief) Regulations 2003
- Employment Equality (Age) Regulations 2006
- Rehabilitation of Offenders Act 1974
- Part Time Workers (Prevention of Less Favourable Treatment) Regulations 2000
- Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002
- Equal Pay Act 1970 (As amended)
- Race Relations Act 1976 (Amendment) Regulations 2003
- Race Relations Code of Practice 1983

Magor with Undy Community Council

Equality & Diversity Policy

Introduction

Magor with Undy Community Council is committed to treating everyone fairly, and strives to achieve equality for our diverse community.

We know that a successful community is one where everyone feels safe, and can fully participate in the social, cultural, political and economic life of the area.

We aim to provide excellent, accessible services that meet the needs of all our residents.

Equality and Diversity Statement

Magor with Undy Community are multi-racial, multi-cultural and multi-faith villages. We value and celebrate the diversity that exists amongst both the citizens of Magor and Undy and our workforce. As a Council we want to ensure that everyone can fully participate in the social, cultural, political and economic life of the village.

The Council opposes all forms of discrimination on the grounds of race, gender, sexual orientation, age, religion and disability. We recognise that discrimination creates barriers to achieving equality for all people.

We are committed to working with our workforce, and with the people of Magor and Undy, to develop and deliver high quality services that meet the needs of everyone in the villages.

This policy is central to achieving the Council's vision and mission statement, which is:

"To conserve and improve Magor with Undy as an attractive and sustainable place in which to live, visit and do business"

Our Commitment

When we make plans and policies, we will, with all sections of the population of Magor and Undy :-

- Design our services to meet the diverse needs all our communities
- Ensure that plans and policies do not negatively discriminate against particular groups;
- Make sure all staff, customers, contractors and community groups are aware of our equality policy.

When we work in partnership we will: -

- Publicise this equality policy widely and positively
- Encourage the involvement of Magor and Undy's diverse communities in decision making and developing services through partnerships at local level;

We will Actively consult When we deliver services to:-

- Ensure that our services are relevant to the people of Magor and Undy and take into account different needs;
- Provide information about services that is clear, accurate and accessible to all.

- Treat all customers positively, regardless of sexual orientation, race, gender, disability, religion or age;
- Respond seriously to, and investigate complaints of, bullying, harassment, victimisation or discrimination,

As an employer we will:

- Recruit and retain a workforce that reflects the expertise and diversity of our community;
- Welcome the special knowledge and skills that a diverse workforce contributes to the Council;
- Provide equal access to training and development for all our staff;
- Listen to staff ideas and suggestions for improving services and ways of working;

How We Will Make Things Happen

- Elected Members will promote the Council's commitment to equality and ensure adequate resources are made available.
- All Committees will be responsible for the overall management and direction of our equality commitments.
- All Elected Members and employees will ensure that they are aware of this policy and take responsibility to promote equality and challenge discrimination.

Magor with Undy Community Council

Review of Effectiveness of Internal Audit

SUBJECT:	Internal Audit – Review of Effectiveness
OBJECTIVE:	Completion of the Internal Audit Review Checklist at Appendix A
STATUTE:	Accounts and Audit (Wales) Regulations 2014 (as amended)

INTRODUCTION:

Regulation 7 of the Accounts and Audit (Wales) Regulations 2014 (as amended) require councils to carry out an annual review of the effectiveness of their system of internal control. Internal audit is part of the system of internal control.

Governance and accountability for Local Council's in Wales – A Practitioners Guide 2019 a recognised source of guidance, recommends that as best practice and as part of the review of internal control, local councils should at least once a year carry out a review of internal audit. The results should be included in the annual governance statement.

SCOPE OF REVIEW:

The review must reflect the Council's internal audit needs and usage. It should provide sufficient assurance for the Council that internal audit's work meets required standards and is effective. Councils must judge the extend and scope of the review by reference to their own individual circumstances.

The starting point for the review should be an assessment against the internal audit standards below:

- (a) The scope of the internal audit – *terms of reference and the extent of the work undertaken by internal audit*
- (b) Independence – *the extent to which the internal auditor is able to carry out the audit without undue influence or conflict of interest*
- (c) Competence - *the ability and experience of the internal auditor to undertake the work*
- (d) Relationships – *the clarity of relations between the Council, the Clerk and the internal Auditor*
- (e) Audit planning and reporting – *the effectiveness of the audit plan and reporting procedures.*

The review should focus on the internal audit standards identified above. These will include principally a consideration of the extent to which internal audit adds value and how well it is helping the delivery of the Council's objectives.

The review is about how effective internal audit is, not the process it followed. In essence, the review should focus on the quality of delivery of the internal audit service i.e. reliable assurance about the Council's internal controls and its management of risk.

Auditing Solutions Ltd (<https://auditingolutions.co.uk/methodolog>), the Council's internal auditors for 2020-2021, was approved at the Council meeting held on 24th June 2020.

The Internal Audit Review Checklist **Appendix A** covers two principal aspects of the review i.e. compliance with standards and overall effectiveness and should be completed with regard given to the above.

Annual internal audit report to:**APPENDIX A**Name of body:

The Council/Board/Committee's internal audit, acting independently and on the basis of an assessment of risk,

has included carrying out a selective assessment of compliance with relevant procedures and controls expected

to be in operation during the financial year ending 31 March 2021.

The internal audit has been carried out in accordance with the Council/Board/Committee's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised

in this table. Set out below are the objectives of internal control and the internal audit conclusions on whether,

in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Council/Board/Committee.

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
1. Appropriate books of account have been properly kept throughout the year.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
4. The annual precept/levy/resource demand requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
8. Asset and investment registers were complete, accurate, and properly maintained.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
9. Periodic and year-end bank account reconciliations were properly carried out.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
10. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
11. Trust funds (including charitable trusts). The Council/Board/Committee has met its responsibilities as a trustee.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text

For any risk areas identified by the Council/Board/Committee (list any other risk areas below or on separate sheets if needed) adequate controls existed:					
	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
12. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
13. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
14. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text

* If the response is 'no', please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

** If the response is 'not covered', please state when the most recent internal audit work was done in this area and when it is next planned, or if coverage is not required, internal audit must explain why not.

[My detailed findings and recommendations which I draw to the attention of the Council/Board/Committee are included in my detailed report to the Council/Board/Committee dated .] * Delete if no report prepared.

Internal audit confirmation

I/we confirm that as the Council's internal auditor, I/we have not been involved in a management or administrative role within the body (including preparation of the accounts) or as a member of the body during the financial years 2019-20 and 2020-21. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit:

Signature of person who carried out the internal audit:

Date:

Annual Governance Statement (Part 1)

We acknowledge as the members of the Council/Board/Committee, our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to

	Agreed?		'YES' means that the Council/Board/Committee:	PG Ref
	Yes	No*		
1. We have put in place arrangements for: <ul style="list-style-type: none"> effective financial management during the year; and the preparation and approval of the accounting statements. 	<input type="radio"/>	<input type="radio"/>	Properly sets its budget and manages its money and prepares and approves its accounting statements as prescribed by law.	6, 12
2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.	<input type="radio"/>	<input type="radio"/>	Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.	6, 7
3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the Council/Board/Committee to conduct its business or on its finances.	<input type="radio"/>	<input type="radio"/>	Has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.	6
4. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014.	<input type="radio"/>	<input type="radio"/>	Has given all persons interested the opportunity to inspect the body's accounts as set out in the notice of audit.	6, 23
5. We have carried out an assessment of the risks facing the Council/Board/Committee and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<input type="radio"/>	<input type="radio"/>	Considered the financial and other risks it faces in the operation of the body and has dealt with them properly.	6, 9
6. We have maintained an adequate and effective system of internal audit of the accounting records and control systems throughout the year and have received a report from the internal auditor.	<input type="radio"/>	<input type="radio"/>	Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the body.	6, 8
7. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Council/Board/Committee and, where appropriate, have included them on the accounting statements.	<input type="radio"/>	<input type="radio"/>	Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6
8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.	<input type="radio"/>	<input type="radio"/>	Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23

the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2021, that:

9. Trust funds – in our capacity as trustee, we have:	Yes	No	N/A	Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.	3, 6
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
<ul style="list-style-type: none"> discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit. 					

* Please provide explanations to the external auditor on a separate sheet for each 'no' response given; and describe what action is being taken to address the weaknesses identified.

Additional disclosure notes*

The following information is provided to assist the reader to understand the accounting statement and/or the Annual Governance Statement

1. Expenditure under S137 Local Government Act 1972 and S2 Local Government Act 2000

Section 137(1) of the 1972 Act permits the Council to spend on activities for which it has no other specific powers if the Council considers that the expenditure is in the interests of, and will bring direct benefit to, the area or any part of it, or all or some of its inhabitants, providing that the benefit is commensurate with the expenditure. Section 137(3) also permits the Council to incur expenditure for certain charitable and other purposes. The maximum expenditure that can be incurred under both section 137(1) and (3) for the financial year 2020-21 was £8.32 per elector.

In 2020-21, the Council made payments totalling £_____ under section 137. These payments are included within 'Other payments' in the Accounting Statement.

2.

3.

* Include here any additional disclosures the Council considers necessary to aid the reader's understanding of the accounting statement and/or the annual governance statement.

Council/Board/Committee approval and certification

The Council/Committee is responsible for the preparation of the accounting statements and the annual governance statement in accordance with the requirements of the Public Audit (Wales) Act 2004 (the Act) and the Accounts and Audit (Wales) Regulations 2014.

Certification by the RFO I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Council/Board/ Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2021.	Approval by the Council/Board/Committee I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference:
RFO signature:	Minute ref:
Name:	Chair of meeting signature:
Date:	Name:
	Date:

Magor with Undy Community Council

Review of Internal Control Procedures

SUBJECT: Corporate Governance: Review of Internal Control Procedures
OBJECTIVE: For Approval
STATUTE: Accounts and Audit (Wales) Regulations 2014 (as amended)

BACKGROUND: As part of the Corporate Governance arrangements the Council is required to review the effectiveness of its system of internal control and test the following arrangements at least once a year:

- the documentation and application of internal control procedures.
- the overall control environment, including internal audit

(Internal control can be simply defined as being "what the council does" and internal audit, "a check that the arrangements are fit for purpose and are doing what they are supposed to be doing.")

This report seeks to address the review of internal (accounting) control procedures.

1. INTERNAL (ACCOUNTING) CONTROL

The requirements of an internal (accounting) control system are set out in **Appendix A** for Members information.

There is a joint responsibility between Members and the RFO to ensure an adequate system of internal control exists.

1.1. Reviewing the System of Internal Control

"Governance and accountability for local councils in Wales – A Practitioner's Guide 2019" explains that in order to review the system of internal control, the Council must first understand the nature of the control system and its various components. These will include:

- high level controls providing an overall framework; and
- specific controls related to activities and transactions.

The annual review should include an assessment of whether the controls:

- operated during the year;
- are relevant and appropriate for the council, and
- are not too onerous or disproportionate.

The attached **Appendix B** sets out an explanation of these requirements and, where appropriate, example controls identified in "Governance and accountability for local councils in Wales – A Practitioner's Guide 2019" together with details of Magor with Undy's controls.

1.2. Recommendation(s):

Members are asked to consider the attached **Appendix B** in the context of the above report and to determine whether the controls exercised by Magor with Undy Community Council were:

- (a) operated during the year;
- (b) are relevant and appropriate for the council, and
- (c) are not too onerous or disproportionate.

APPENDIX A

6 Accounting records and control systems

(1) The responsible financial officer of a relevant body must determine on behalf of the body, after consideration, when relevant, of proper practices, its—

- (a) accounting records, including the form of accounts and supporting accounting records, and
- (b) accounting control systems,

and that officer must ensure that the accounting control systems determined by that officer are observed and that the accounting records of the body are kept up to date and maintained in accordance with the requirements of any enactment and proper practices.

(3) The accounting control systems determined in accordance with paragraph (1)(b) must include—

- (a) measures to ensure that the financial transactions of the body are recorded as soon as reasonably practicable and as accurately as reasonably possible, measures to enable the prevention and detection of inaccuracies and fraud, and the ability to reconstitute any lost records;
- (b) identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
- (c) procedures to ensure that uncollectable amounts, including bad debts, are not written off except with the approval of the responsible financial officer, or such member of that person's staff as is nominated for this purpose, and that the approval is shown in the accounting records; and

REVIEW OF SYSTEMS OF INTERNAL CONTROL EXERCISED BY MAGOR WITH UNDY COMMUNITY COUNCIL		
HIGH LEVEL INTERNAL CONTROLS REQUIRED:		
Control Area:	Explanation of requirements:	Magor with Undy's controls:
Segregation of duties	<i>A key feature of an effective control framework is to ensure that where possible, no single individual has sole responsibility for any transaction from authorisation to completion and review.</i>	<p>Purchases: Purchase orders raised by Administrative Staff for all routine purchases. Invoices received checked and authorised by the Clerk / RFO and counter initialised by two Member cheque signatories. Invoices entered on finance computer system by Administrative Staff, linking to purchase order. Payment of invoices entered by Administrative Staff with month end reconciliation, providing non single individual responsibility, carried out by the Clerk/RFO.</p> <p>RFO undertakes periodic check of outstanding purchase orders for which invoices have not been received/paid.</p> <p>Emergency Procedures: During the Covid 19 pandemic (all admin staff working from home) the following process is in place – RFO receives and authorises invoices, for inputting in the bank and through the accounts, Member cheque signatory authorises the payments through the bank, countersigned by a second Member cheque signatory and third member independent of cheque signing carries out check on the monthly bank reconciliations.</p> <p>Contracts: All contracts approved/reviewed by Council. Invoices received checked and authorised by RFO and counter initialised by two Member cheque signatories. Invoices entered on finance computer system by Administrative Staff. Payment of invoices entered by Administrative Staff.</p> <p>Pre-Payment Cards: Available credit on cards limited. Statements regularly checked by RFO and authorised by 2 Councillors.</p> <p>Sales: Sales invoices raised by Administrative Staff and income received promptly banked. Sales receipts checked and entered on finance computer system by RFO. RFO undertakes periodic check of sales invoices outstanding.</p>

Control Area:	Explanation of requirements:	Magor with Undy's controls:
Budgetary control	<i>One of the most important financial monitoring activities is budgetary control. This is monitoring the council's performance against its budget. The council should have procedures for regular budget reporting in place.</i>	<p>Income and expenditure account showing: actual current month; actual year to date; current annual budget; spend against budget; variance annual total; funds available; % of budget reported monthly to Full Council (exempting March). Quarterly detailed examination of same undertaken by Full Council.</p> <p>In the event that a request for funding is received for which there is no budgetary provision, the lack of budget provision is highlighted on the agenda for Members information.</p>
Internal Audit	<i>The role of the internal audit is to look at the effectiveness of the council's financial controls. The members should consider reports prepared by the internal auditor that identify weaknesses in internal control.</i>	<p>Two Internal Audits are carried out annually.</p> <p>The Internal Audit Reports are reported into Full Council.</p> <p>All points for action identified by the Internal Auditor are fully recorded in the minutes to ensure that they are addressed.</p>
Payments	<i>The use of cheque payments is diminishing with the use of electronic payment. It is essential that the council has robust controls in place over payments made.</i>	<p>Electronic Payments: All invoices in support of direct debit/standing order payments are authorised by RFO and initialised by two-member cheque signatories.</p> <p>On line banking is operated for payroll, pension and HMRC tax and NI payments and whenever possible for all other payments. Hard copy documents are authorised by RFO and initialised by two-member cheque signatories. On line payments entered by Administrative Staff and authorised by one Member cheque signatory.</p> <p>Electronic Receipts: Identified at monthly bank reconciliation, matched with sales invoice and entered on finance computer system by RFO.</p>

INTERNAL CONTROLS OVER ACTIVITIES AND TRANSACTIONS:

Control Area:	Explanation of requirements:	Example controls:	Magor with Undy's controls:
Income received	The controls in place should provide assurance that the income received is secure, accurately recorded and banked as quickly as possible.	<p>All cash and cheques received should be recorded and banked as soon as possible. The following controls should be in place:</p> <ul style="list-style-type: none"> Where possible, at least two people are involved in handling and recording monies received; Cash collected is banked as soon as possible; Records are kept of each source of funds or fundraising event in enough detail to identify gross receipts or takings and costs incurred; Pre-numbered, carbon copy receipts are issued for all payments received. 	<p>All cash and cheques banked within 5 working days.</p> <ul style="list-style-type: none"> Administrative staff receive and undertake banking. RFO enters income on finance system. All cash is banked promptly Where income does not relate to sales invoices e.g. rents/grants/precept then it is checked against minutes/expected budget/allotment lists etc. Very little, if any, miscellaneous income received. Carbon copy numbered receipts are issued.
Trading income and fees	Trading includes all goods and services provided for a fee. Controls should ensure that all income due to the council is received and recorded.	<p>Controls will depend on the type of activity carried out by the council. Controls should generally include:</p> <ul style="list-style-type: none"> Establishing a pricing policy for goods and services supplied including regular review of price structures; Invoicing procedures for all goods and services provided; Review of outstanding debts and collection procedures; Procedures to reconcile goods and services provided to amounts invoiced and cash received to outstanding balances. 	<ul style="list-style-type: none"> All fees and charges reviewed by Full Council annually. Sales invoices issued for all goods and services provided. (NB letters issued for allotment rents) Outstanding invoices reviewed and chased. Sales invoices matched with income. Credit notes issued where appropriate.

Control Area:	Explanation of requirements:	Example controls:	Magor with Undy's controls:
Income records	Internal controls should ensure the council accurately maintains accounting records of income.	<p>Certain basic controls performed regularly may serve as an early warning of anything going wrong. Regular checks should be made to ensure that:</p> <ul style="list-style-type: none"> Records of cash and cheques received agree with bank paying in slips; Paying in slips agree with bank statements both in terms of amount banked and date of credit; and Transfers or other direct payments into the bank are verified against supporting paperwork. <p>These checks should be made by someone other than the person concerned with the original recording of the transactions.</p>	<ul style="list-style-type: none"> Sales invoices checked against pay in's monthly prior to computer data entry. Paying in slips or record of 'bank transfers in' checked with bank statement as part of monthly bank reconciliation. Transfers and direct payments checked against sales invoices during monthly bank reconciliation. <p>Sales invoices raised and banking undertaken by Administrative Staff. Data entry of income and bank reconciliation undertaken by RFO.</p>
Authorisation of expenditure	Expenditure controls ensure that only necessary and authorised purchases are made. Controls also ensure that the council makes payments only for goods and services actually received and at agreed prices.	<p>Controls over purchases may include:</p> <ul style="list-style-type: none"> Establishing authority levels for placing orders and approving payments which are clear and documented; and Ensuring invoices received are checked against orders to confirm prices and the receipt of goods or services ordered. 	<ul style="list-style-type: none"> Authority levels set out in Financial Regulations which are reviewed annually. All non routine payments reported to Council and authorised prior to commitment. Minute reference quoted on invoice. Emergency purchases agreed with Chair/Vice Chair and reported to next meeting of Full Council. Invoices linked to purchase order Goods received signed for and receipt attached to purchase order on file.

Control Area:	Explanation of requirements:	Example controls:	Magor with Undy's controls:
Wages and salaries	<p>The purpose of payroll controls is to make sure that the council pays the correct amounts to genuine employees and HMRC.</p>	<p>The payment of wages and salaries is often a major item of a council's expenditure and therefore adequate control over these payments is essential. In addition to paying employees, the controls should ensure that the council is not exposed to additional liabilities from breaches of statutory regulations e.g. by failing to correctly deduct tax and national insurance.</p> <p>Internal controls should be established to ensure that:</p> <ul style="list-style-type: none"> • PAYE records are maintained for all employees; • Statutory deductions are paid to HMRC and pension contributions paid to pension providers promptly; • Deadlines for year-end returns to HMRC are met e.g. P35, P11D and P60; • Minimum wage legislation is adhered to; • Only authorised or required deductions are made from pay; • All employees have a proper contract of employment and individuals are not incorrectly classified as self employed; • Personnel records are checked against pay records periodically to prevent payments to former employees; • Changes to pay, hours, overtime or non-standard hours are authorised and • No individual has the authority to set his or her own pay. 	<p>Processing of salaries contracted out to local accountant.</p> <ul style="list-style-type: none"> • PAYE records maintained for all employees. • Statutory deductions paid to HMRC, pension contributions to pension provider one month in arrears. • Contract with local accountant for outsourcing of payroll administration. • Annual review of contracts by Human Resources Committee. • Salary payments reported monthly to Council. • Changes to pay/hours etc. recommended by Human Resources Committee and authorised by Full Council. • Pay scales etc. reviewed annually & authorised by Full Council.

Control Area:	Explanation of requirements:	Example controls:	Magor with Undy's controls:
Assets	Internal controls should be in place to safeguard the assets and investments held by the council from loss or damage and to ensure their proper use within the community.	<p>Internal controls may include:</p> <ul style="list-style-type: none"> • Maintaining an asset register. • Regular inspection of fixed assets to ensure they exist, remain in good repair and are being used appropriately; • Appropriate authorisation for the disposal or scrapping of fixed assets; and • Maintaining secure boundaries of any land and buildings held by the council and holding all title deeds securely. 	<ul style="list-style-type: none"> • Asset register maintained and reported to Full Council annually. • Asset inspection undertaken regularly. • Disposals approved by Full Council and recorded on asset register • Security of premises reviewed as part of Risk Assessment. • Title deeds held in locked metal filing cabinet.
Investments	Internal controls should ensure that the council's investments are safeguarded.	<p>Controls should include:</p> <ul style="list-style-type: none"> • Setting an investment policy; • Maintaining records of all investments held; and • Accounting controls to ensure that all dividends rent or interest payments due are received. 	<ul style="list-style-type: none"> • Investment Statement reviewed and confirmed by Full Council annually. • Bank statements in respect of all invested funds kept on Finance file. • Bank Statements. Year end Bank Reconciliation. Balance Sheet.

Control Area:	Explanation of requirements:	Example controls:	Magor with Undy's controls:
Bank Accounts	<p>Controls over bank accounts ensure that the amount of money held at any given point in time can be identified and that this money is secure.</p>	<p>Controls should include;</p> <ul style="list-style-type: none"> Monthly preparation of bank reconciliations for all bank accounts. A second person should review the reconciliations and resolve any discrepancies. Keeping a list of all bank accounts and reviewing it for dormant accounts, that should be closed. <p>To maintain the security of bank accounts, the following controls should be in place:</p> <ul style="list-style-type: none"> Segregation of duties to prevent any single person being able to control the council's resources; Proper approval for movements between and payments from bank accounts; After each electronic banking transaction details should be taken showing transaction details and stored as part of the accounting record; Keeping all Pc's with access to online banking facilities secure; Ensuring all PC's are up to date with anti virus, spyware and firewall software; Adequate training for those using the electronic banking facility; and Changing access passwords periodically and following changes in authorised employees and members. 	<ul style="list-style-type: none"> Monthly Bank reconciliation undertaken, reported to and confirmed by Council. Details of all bank accounts held on Finance file and reported as part of Annual Investment Strategy review. Duties split between Admin Staff, RFO and Two of four Member cheque signatories. Movements between bank accounts and payments authorised by RFO and two-member cheque signatories. On line banking password protected. Cloud based IT system ensures up to date anti virus, spyware and firewall software. Backed up daily within the UK Electronic banking undertaken by RFO or Admin Officers. Transactions require authorisation by RFO and release by a Member cheque signatory and countersigning by a second Member cheque signatory. System generates automatic requirement to change passwords regularly.