

AGENDA ITEMS

11.1 General Risk Assessment review

12.1 Internal Control Systems Review

13.1 Annual Investment Strategy Review.

Reviewed February 2025 in compliance with Observation of Interim Internal Audit – For consideration at Full Council 10/03/25

	Through theft or dishonesty of Staff or Members	5	1	5	Low	<ul style="list-style-type: none"> • Fidelity guarantee of £750,000 as at 08/08/2024 • Review annually in May
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Loss of money (cont'd)	Postage	5	1	5	Low	<ul style="list-style-type: none"> Minimal values held – periodic review (Supply of postage stamps kept in cash box in locked cabinet)
3. Borrowing/Lending	Adequacy of finances to repay loan	5	1	5	Low	<ul style="list-style-type: none"> Provision made in Annual Budget Policy part of Investment Strategy
4. Investment Strategy Income/Policy	Inappropriate investment	3	1	3	Low	<ul style="list-style-type: none"> Policy in place Review Annually in May
5. Reserves – General	Ensure Adequacy	5	1	5	Low	<ul style="list-style-type: none"> Consider at Budget Setting in January Quarterly Budget Monitoring v Actual Review
6. Reserves – Earmarked	Ensure Adequacy	5	1	5	Low	<ul style="list-style-type: none"> Consider at Budget Setting in January Quarterly Budget Monitoring v Actual Review Listed on Annual Investment Strategy
7. Tenancy – Rents (Allotments – Poor Land)	Unidentified /Recording Loss of income / failure to pay rent	5	1	5	Low	<ul style="list-style-type: none"> Identified at Budget Setting and Recorded in Final Accounts Listed on Annual Investment Strategy
8. MUGA Court Hire	Booking Process requires fee collection in arrears	5	2	10	Medium	<ul style="list-style-type: none"> Clerk to monitor – Records held on RBS software. Rental invoices generated via RBS software and sent to all tenants in July Clerk to issue reminders and final demand via RBS software in respect of non-payment of rent
			1	10	M	<ul style="list-style-type: none"> Booking requests are received on completed forms in post or by email. Requests are checked against Google Calendar to avoid double booking. Booking entered on Google Calendar. Booking forms saved to file with Invoice Ref. Invoice (saved to file) is sent to client requesting BACS payment within 14 days. Bank AC checked regularly to reconcile payment and if need to send reminder to client.
EXPENDITURE						
9. Legal Powers	Illegal Payment or Activity	5	2	10	Medium	<ul style="list-style-type: none"> All decisions to undertake works and make payments are recorded in the minutes Statutory powers are recorded in the minutes Ensure compliance with Standing Orders and Financial Regs. Annual Review of Standing Orders and Financial Regulations
10. Salaries/Wages	Wrong Salary Paid	5	2	10	Medium	<ul style="list-style-type: none"> Salary payments presented to Council monthly Bank signatories to scrutinise details of claim

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	Wrong Rate Applied	5	2	10	Medium	<ul style="list-style-type: none"> Salary administration outsourced to Chepstow Accountancy in line with adopted National Joint Council rates and National Living Wage adopted by Town Council in November 2022
	False/fictitious Employee	5	1	5	Low	<ul style="list-style-type: none"> Council signatories to undertake examination of PAYE wages records and bank payments
	Not Accounting for correct deductions of NI, Tax and Superannuation	5	2	10	Medium	<ul style="list-style-type: none"> Salary calculations outsourced to Chepstow Accountancy Calculated within salary administration by Chepstow Accountancy
	Inaccurate recording of hours	5	2	10	Medium	<ul style="list-style-type: none"> Periodic visual check of work undertaken by Town Wardens/Litter Pickers by Town Clerk Manual time records are provided and kept by Town Clerk for presentation to line manager upon request.
	Submission of PAYE	5	1	5	Low	<ul style="list-style-type: none"> Records submitted to Council monthly as part of Payments. Salary administration outsourced to Chepstow Accountancy Monthly RTI and Annual Return completed electronically to HMRC
Salaries/Wages (cont'd)	Loss of data on PC due to system fault	3	2	6	Medium	<ul style="list-style-type: none"> Microshade cloud storage
11. VAT Payment Recovery of	Improper recording of input/output VAT	5	1	5	Low	<ul style="list-style-type: none"> RBS finance software package used to record all finance business of the Town Council. RFO uses a back-up excel finance record for reconciliation of accounts prior to entering on RBS software program.
	Inability to meet quarterly/half yearly or Annual submissions to H.M customs	5	1	5	Low	<ul style="list-style-type: none"> Regular periodic review in will identify the need to submit claim if not already done so RBS software package is updated at least at year end annually.
12. Borrowing/Lending	Failure to make repayment instalments	5	1	5	Low	<ul style="list-style-type: none"> Direct Debit mandate in place with PWLB See also separate RA for PWLB
13. Banking Arrangements, Authorisation of Payments And Investment Accounts	Invoices	4	2	8	Medium	<ul style="list-style-type: none"> Council's Financial Regs set out the requirements for banking arrangements and authorisation of payments. All expenditure presented to Council monthly for approval Two signatories required per debit transaction Internet banking.
	Reconciliation	4	2	8	Medium	<ul style="list-style-type: none"> Bank reconciliation completed at month end and quarterly presented to Council at Full Council monthly meeting for approval and adoption.

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							<ul style="list-style-type: none"> Nominated Councillor to undertake periodic checks and countersign file copies of bank statements and RBS reconciliation reports.
	CCLA/Public Sector Deposit Fund	4	2	8	Medium	<ul style="list-style-type: none"> Clerk/RFO monthly checks to record yield on investment. Investment Income is recorded and reconciled in Councils Excel Finance records and RBS Rialtas and reconcile. 	
14. Financial Assistance	Legal Power to contribute	5	2	10	Medium	<ul style="list-style-type: none"> Compliance with section 137 and other legislation 	
	Compliance with Council Policy	3	1	3	Low	<ul style="list-style-type: none"> Educate/Remind members of grant/financial assistance Policy 	
	Overspend	5	2	10	Medium	<ul style="list-style-type: none"> Clerk/RFO to monitor budget v actuals and amount of grant monies awarded and to present to Council as soon as practicable. 	
15. Councillors Allowances	Over/Under payments to Members including IRPW	5	1	5	Low	<ul style="list-style-type: none"> Current IRPW rates paid quarterly in arrears. Members to complete and verify standard attendance/mileage claim form with relevant receipts Mileage substantiated by AA Mileage Calculator - or similar Clerk/RFO to check amount to be paid against IRPW report 	
	Proper deduction of tax	5	1	5	Low	<ul style="list-style-type: none"> IRPW mileage rates are non-tax deductible Awaiting clarification regarding remuneration payments Councillors advised to submit their own declarations to HMRC 	
	Maintain proper records	3	1	3	Low	<ul style="list-style-type: none"> Expenses and mileage claim forms in place. 	
	Wrong IRPW allowance made					<ul style="list-style-type: none"> Clerk/RFO to check amount to be paid against IRPW report Council to review annually how/when/frequency of payments 	
16. Knowledge/ Training of Councillors in Financial Matters	Lack of knowledge in General matters relating to Council Finance	4	2	8	Medium	<ul style="list-style-type: none"> Councillors to be encouraged to undertake One Voice Wales Training Module 6 – Local Government Finance and participate in the review of Financial Regulations. 	

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17. Knowledge/ Training of Clerk/RFO in Financial Matters	Lack of knowledge in General matters relating to Council Finance	5	2	10	Medium	<ul style="list-style-type: none"> • Clerk undertaken OVW Training Module 6 – Local Government Finance • Clerk/RFO completed Working with Your Council modules • Clerk/RFO to undertake CiLCA training and obtain qualifications as soon as practicable.
OTHER						
18. Assets	Loss/Damage thereof	4	3	12	High	<ul style="list-style-type: none"> • Regular inspection of Notice Boards • Monthly inspection of play equipment by Mon CC • Independent annual inspection of play equipment • Quarterly inspection of bus shelters, wayside seats etc by the Clerk • Maintain Asset Register • Insure against all risks and review annually in May
	Risk or damage to third party property or individuals	5	2	10	Medium	<ul style="list-style-type: none"> • £10,000,000 Indemnity of Public Liability in place. • Review annually in May
	Security of Equipment	5	1	5	Low	<ul style="list-style-type: none"> • Office Equipment maintained in locked building and insured
	Asset Register	4	2	8	Medium	<ul style="list-style-type: none"> • Update Asset Register Ad Hoc & review annually in May
	Maintenance	4	3	12	High	<ul style="list-style-type: none"> • Undertake repair and maintenance – Ad Hoc/On-going
19. Allotments	Increase in net expenditure	3	2	6	Medium	<ul style="list-style-type: none"> • Review rents annually at Finance Meeting • Review annual maintenance budget at Finance Meeting
	Constant annual increase in expenditure allied with an increase in unused plots	2	2	4	Low	<ul style="list-style-type: none"> • Current waiting list stands at 30 • Project of remediation commenced April 2023 to bring dormant plots back into use. To clear unattended and unused plots at 3 sites and offer to waiting list. • Annual review of rental charges.
20. Poor Land – Norton Lane	Increase in lease	2	1	3	Low	<ul style="list-style-type: none"> • Peppercorn rent fixed • Review rents • Tenant offered annual lease rolling over 5-year period at a fixed annual fee. • Current tender expires 31/08/2025

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21. Staff	Insufficient to deliver litter picking service	5	2	10	Medium	<ul style="list-style-type: none"> • Periodic review of hours/areas worked • Employment of a replacement in the event of loss of establishment as a consequence of dismissal, resignation or retirement
	Loss of key personnel – Clerk through ill health, retirement, long term sickness or even death	5	2	10	Medium	<ul style="list-style-type: none"> • Review staff structures, hours, duties and responsibilities to ensure business continuity resources meet the needs of the Town Council. • Council to consider contingency Plan /Staffing Policy for business continuity
22. Insurance	Inadequate or No Insurance Cover	5	1	5	Low	<ul style="list-style-type: none"> • Council to review renewal insurance documents annually in May including Fidelity/Public & Employers Liability limits • Asset list maintained and kept up to date • Policy commencement on 01/06/23 on a three year agreement. • Insurance policy is a 'package' providing a set minimum level of cover depending on population size.
	Public Liability (statutory)	5	2	10	Medium	<ul style="list-style-type: none"> • Cover £10,000,000
	Employers Liability (statutory)	5	2	10	Medium	<ul style="list-style-type: none"> • Cover £10,000,000
	Money	5	1	5	Low	<ul style="list-style-type: none"> • Cover £250,000
	Fidelity Guarantee	5	1	5	Low	<ul style="list-style-type: none"> • Cover £ 750,000
	Property	3	3	9	Medium	<ul style="list-style-type: none"> • Play Equipment covered • War Memorial covered • Office Equipment/contents covered • Safety Surfaces covered • Street furniture covered where practicable • MUGA Courts covered • Procurator House covered
	Loss of Revenue	5	2	10	Medium	<ul style="list-style-type: none"> • Not covered
	Officials Indemnity	4	2	8	Medium	<ul style="list-style-type: none"> • Cover £500,000
	Libel & Slander	3	2	6	Medium	<ul style="list-style-type: none"> • Cover £250,000
	Personal Accident	5	2	10	Medium	<ul style="list-style-type: none"> • Covered £100,000 Capital benefits • Death £100,000 • Loss of Limb(s), Loss of Hearing, Loss of Sight or Loss of Speech £100,000 • Permanent Total Disablement £100,000

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							<ul style="list-style-type: none"> • Temporary Total Disablement £200 per week (Max benefit period of 104 weeks). • Temporary Partial Disablement £100 per week (Max benefit period of 104 weeks).
23. Contracts	Value for money and continuity of work	4	2	8	Medium	<ul style="list-style-type: none"> • Where practicable seek three quotations for work under £3K Quotations for small works to be reported to next Council meeting • For works over £25K, issue specification and tender documents to at least three contractors and advertise on 'Sell2Wales • For large works, tenders to be opened by Clerk/RFO plus at least one Member and reported to next Council meeting. (Subject to impending review of Financial Regulations/Standing Orders) 	
24. Consultations	Meeting of deadlines for responses	3	4	12	High	<ul style="list-style-type: none"> • Emergency Planning Committee. Shall consist of 4 Councillors (must include Mayor or Deputy Mayor), to be called during a holiday or Council recess period, and any decisions made must be reported back to the next Full Council meeting. • Town Clerk shall inform the Mayor/Deputy Mayor and appointed Councillors by virtue of Minute number 134.8 of 2023/24 of receipt of key planning consultations which require response before next Council Meeting. 	
25. Administration	Agency Advice	3	1	3	Low	<ul style="list-style-type: none"> • Continue with membership of One Voice Wales • Continue with membership of SLCC • Clerk to maintain networking with other clerks/Councils etc. • Council to purchase any necessary reference books 	
26. Document Security	Appropriateness of existing facilities	5	2	10	Medium	<ul style="list-style-type: none"> • All documents kept on secure premises • Microshade cloud storage/back-up for computer records • Deposit historical records with County archives. 	
27. Financial Records	Inadequate Records	5	1	5	Low	<ul style="list-style-type: none"> • RBS software in place from 01/04/20 • Daily monitoring is backed up on Excel saved to File explorer within Microshades protected server. 	
	Non-compliance with statutory deadlines for the completion/ approval/ submission of accounts and other financial returns	4	2	8	Medium	<ul style="list-style-type: none"> • (External Auditors) forward instructions April • Internal Auditors approached following end of Year. • Review of Finances at Annual Meeting in May 	

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	Non-compliance with Internal Audit Requirements	4	2	8	Medium	<ul style="list-style-type: none"> Internal Auditor appointed at Annual Finance Meeting in January Internal audit observation reports presented bi-annually to Council for consideration Review of Finances at Annual Meeting in May Adopted and signed as soon as practicable with due consideration to restrictions of Multi-location meetings.
28. Minutes	Accuracy and Legality	4	1	4	Low	
29. Health and Safety Risk Assessment	Failure to identify	5	2	10	Medium	<ul style="list-style-type: none"> Health & Safety Policy Statement & Responsibilities in place Relevant Risk Assessments in place Additional Risk Assessments produced as necessary
30. Equality Act 2010	Failure to identify and implement adaptations	4	2	8	Medium	<ul style="list-style-type: none"> Compliance of the Equalities Act 2010 shall be recognised at all times. Meeting venues used shall be compliant under provisions of Equalities Act 2010 Venues used for Council Meetings shall where possible be equipped with a Hearing Loop system. Advice taken when necessary Equalities & Diversity policy in place and advertised on web site
31. Register of Members Interest, Gifts and Hospitality	Identification of interest and recording of gifts and hospitality	4	2	8	Medium	<ul style="list-style-type: none"> Register of Interests file held by Clerk and implemented. Declaration of Interest at meetings file updated following each meeting and held by clerk Declaration of Acceptance of Office signed by all members before taking office and witnessed, and copies held by Clerk Declaration of Acceptance of Office signed by Chair at Annual Meeting, witnessed and held by Clerk
32. Code of Conduct	Adoption of Code of Conduct	5	2	10	Medium	<ul style="list-style-type: none"> Code of Conduct adopted by Council and implemented. All Councillors sign to accept Code of Conduct in conjunction with Declaration of Acceptance of Office. Councillor given details of all Code of Conduct training events and are encouraged to attend within 6 months where possible
33. Freedom of Information Policy	Preparation of and Implementation of Policy	4	2	8	Medium	<ul style="list-style-type: none"> Policy requires review to comply with ICO FOI Policy and Model Publication Scheme advertised on web site
34. Complaints Procedure Policy	Preparation of and Implementation of Policy	4	2	8	Medium	<ul style="list-style-type: none"> Policy in place and advertised on web site.

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Unacceptable Actions by Individuals Policy	Preparation of and Implementation of Policy	4	2	8	Medium	<ul style="list-style-type: none"> Policy in place and published on web site.
Data Protection Act 1998 and General Data Protection Regulations	Preparation of Implementation and adoption of Act	4	2	8	Medium	<ul style="list-style-type: none"> Data Controller registered with Information Commissioners Office Copy of Registration Entry kept on file Re-registration March Annually with payment collected by Direct Debit Policy in place and published on web site

Potential Consequence	5	4	3	2	1	LIKELIHOOD
Very High	10	8	6	4	2	Very High
High	15	12	9	6	3	High
Medium	20	16	12	8	4	Medium
Low	25	20	15	10	5	Low
Very Low						Very Low

Classification Risk	Low	Medium	High	Very High

MAGOR WITH UNDY TOWN COUNCIL

2. RISK ASSESSMENT SCHEDULE

Item	Frequency of Review/ Inspection	Last Reviewed	Due for Review	Comments
Precept	Annually	January 2024	January 2025	Agreed
Investment Strategy	Annually	May 2024	May 2025	
Tenancy – Rents (Allotments – Poor Land)	Annually	December 2023	January 2026	Agreed
Salaries	Annually/NALC pay awards	Nov 2024	March 2025	Agreed
Asset Register	Annually	May 2023	May 2025	Additional assets added as and when necessary
Banking arrangements	Annually	Jan 2025	Jan 2026	No Change.
CCLA/PSDF Investment account	Annually	July 2024	Jan 2025	Agreed
Borrowing/Lending	Annually	Dec 2021	Jan 2023	No Change
Councillors Allowances	Annually	May 2024	May 2023	IRPW report 2023 agreed
Insurance	Annually	May 2022	May 2023	Change of Insurer
Financial regulations	Annually	April 2023	March 2025	
Standing orders	Annually		March 2025	
Council Policy Reviews	Annually	Mar 2021	May 2023	Reviews ongoing
Staffing levels	Annually	Dec 2021	Dec 2022	Under review incomplete
Performance reviews	Annually	March 2021	TBA	
Code of Conduct	Annually	June 2023	May 2024	Complete (to be published as soon as practicable)
Risk Assessments	Annually	May 2021	May 2022	Completed and presented to Council Oct 2023
Poor Land – Norton Lane	Every 5 years under tenancy agreement,	Aug 2021	August 2025	Tenant under 5 year tenancy – expired Aug 2025
Financial Assistance	Half yearly	June 2023	May 2024	
Reserves – General	Quarterly	June 2023	Due end June, Sept, Dec, Mar	
Reserves – Earmarked	Quarterly	June 2023	Due end June, Sept, Dec, Mar	
VAT Return Completed	Bi annually (April and Oct)	October 2024	April 2025	
Budget monitored and reported (Budget v Actuals)	Monthly	January 2025		

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Authorisation of payments	Monthly	Ongoing		
Bank Reconciliation	Monthly	Ongoing		
Minutes	Monthly	Ongoing		
Playgrounds	Monthly	Ongoing		RoSPA inspection carried out monthly under terms of SLA with Mon CC.
Tennis Courts	Monthly	April 2022	May 2022	Hire Fees to be reviewed via workshop Sept 2023
Item	Frequency of Review/ Inspection	Last Reviewed	Due for Review	Comments
Financial Records (Income and Expenditure)	Ongoing			Under licence to RBS software in place from 01/04/24
Noticeboards	Ongoing			Project commenced 2024 for replacement of Noticeboards
Wayside seats	Ongoing			New benches installed September 2019
Bus shelters	Ongoing			
Planters	Ongoing			New planters installed February 2020
Register of Members Interest	Ongoing			Records made – declarations to be signed at next actual meeting
Declarations of Interest at meetings	Ongoing			
Gifts and Hospitality	Ongoing			
Health and Safety Risk Management	Ongoing			Any identified risks assessed by the Clerk
Allotments	Ongoing			Since 2022 have reduced waiting list for 54 to 30 as a consequence of program of improvements and management of tenancy. Grant of over £11000 received from Mon CC via Wales Gov initiative,
Procurators House	Ongoing		2024	Quinquennial report undertaken March 2020
Data back up	Daily			By Microshade Business Solutions

Review Date: 09th October 2023

REVIEW OF SYSTEMS OF INTERNAL CONTROL EXERCISED BY MAGOR WITH UNDY TOWN 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 shall be raised by Clerk/RFO for all routine purchases. Invoices received shall be checked and authorised by the Clerk / RFO and counter initialised by two Bank mandate authorised Cllr signatories. Details of invoices shall be entered on Finance record - Excel worksheet and Town Councils RBS Finance software program linking to purchase order (when required). Payment of invoices shall be entered by Clerk/RFO with month end reconciliation, providing non-single individual responsibility, carried out by the Clerk/RFO. RFO undertakes periodic check of outstanding purchase orders for which invoices have not been received/paid.</p> <p>Emergency Procedures Contracts: All contracts approved/reviewed by Council. Invoices received are checked and authorised by RFO and counter initialised by two Bank mandate Cllr signatories Details of Invoices are entered on Finance record -Excel worksheet and Town Councils RBS Finance software program Payment of invoices entered by Clerk/RFO</p> <p>Debit Card: Clerk/RFO holds debit card for Town Council Current Bank Account Use of card is recorded on Finance record -Excel Worksheet and Town Councils RBS Finance software program. Receipts for such payments are checked at the end of each month and initialised by two Bank mandate Cllr signatories</p>

		<p>Sales: Sales invoices raised by Clerk/RFO and income received shall be promptly banked. Sales receipts shall be checked and entered on Finance record -Excel Worksheet and Town Councils RBS Finance software program by RFO. RFO undertakes periodic check of sales invoices outstanding.</p>
<p>Control Area:</p>	<p>Explanation of requirements:</p>	<p>Magor with Undy's controls:</p>
<p><i>Budgetary control</i></p>	<p><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>	<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>
<p><i>Internal Audit</i></p>	<p><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>	<p>The Town Councils appointed internal Auditor shall conduct Internal Audits bi-annually. The annual Internal Audit Report shall be conducted in May and the annual interim Audit Report in November.</p> <p>The Internal Audit Reports are reported into Full Council Meeting following receipt of the Auditors report. The observations and recommendation identified by the Internal Auditor are fully recorded in the minutes and implemented as a matter of priority as soon as practicable.</p>
<p><i>Payments</i></p>	<p><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>	<p>Electronic Payments: All invoices in support of direct debit/standing order payments are authorised by RFO and initialled by two Bank mandate Cllr 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 initialled by two Bank mandate Cllr signatories</p> <p>Electronic Receipts: Identified at monthly bank reconciliation, matched with sales invoice and entered Finance record - Excel worksheet and Town Councils RBS Finance software program 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.</p> <p>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"> • Income received shall be promptly paid into Council Bank Account and recorded in Finance record - Excel worksheet and Town Councils RBS Finance software program • 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.</p> <p>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. • Invoices for allotment rent is generated by RBS software and emailed to tenants. • Outstanding invoices are regularly reviewed and followed up. • Sales invoices matched with income. Credit notes issued where appropriate.

Control Area:	Explanation of requirements:	Example controls:	Magor with Undy's controls:
Income records	<p>Internal controls should ensure the council accurately maintains accounting records of income.</p>	<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 Clerk/RFO. Data entry of income and bank reconciliation undertaken by RFO.</p>
Authorisation of expenditure	<p>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>	<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 nonroutine 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

			<ul style="list-style-type: none"> • Goods received signed for and receipt attached to purchase order on file.
<p>Control Area: Wages and salaries</p>	<p>Explanation of requirements: The purpose of payroll controls is to make sure that the council pays the correct amounts to genuine employees and HMRC.</p>	<p>Example controls: 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. 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; 	<p>Magor with Undy's controls: 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 shall be undertaken by Mayor/Deputy Mayor with further consideration by Full Council if necessary. • Salary payments reported monthly to Council. • Any Changes to pay/hours etc. shall be considered/authorised by Full Council. • Pay scales etc. reviewed annually commensurate with NALC pay awards & require authorisation by Full Council.

		<ul style="list-style-type: none"> • 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>Control Area:</p> <p>Assets</p>	<p>Explanation of requirements:</p> <p>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>	<p>Example controls:</p> <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. 	<p>Magor with Undy's controls:</p> <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.
<p>Investments</p>	<p>Internal controls should ensure that the council's investments are safeguarded.</p>	<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:
<p><i>Bank Accounts</i></p>	<p><i>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.</i></p>	<p><i>Controls should include;</i></p> <ul style="list-style-type: none"> • <i>Monthly preparation of bank reconciliations for all bank accounts. A second person should review the reconciliations and resolve any discrepancies.</i> • <i>Keeping a list of all bank accounts and reviewing it for dormant accounts, that should be closed.</i> <p><i>To maintain the security of bank accounts, the following controls should be in place:</i></p> <ul style="list-style-type: none"> • <i>Segregation of duties to prevent any single person being able to control the council's resources;</i> • <i>Proper approval for movements between and payments from bank accounts;</i> • <i>After each electronic banking transaction details should be taken showing transaction details and stored as part of the accounting record;</i> • <i>Keeping all Pc's with access to online banking facilities secure;</i> • <i>Ensuring all PC's are up to date with anti virus, spyware and firewall software;</i> • <i>Adequate training for those using the electronic banking facility; and</i> 	<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 RFO and two Bank mandate Cllr signatories. • Movements between bank accounts and payments authorised by RFO and two Bank mandate Cllr 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. Transactions require authorisation by RFO and release by a Bank mandate Cllr signatory and countersigning by a second Bank mandate Cllr signatory. • Online Banking system allows RFO and Counter Signatories to securely login via banking app or PIN sentry device via user unique bank generated codes at each login.

Reviewed Feb 2025 consequent to observation of Interim Internal Audit. For consideration of Full Council 10/03/25

		<ul style="list-style-type: none">• <i>Changing access passwords periodically and following changes in authorised employees and members.</i>	
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Magor with Undy Town Council

Annual Investment Strategy and Reserves Policy 2025/2026

INTRODUCTION AND LEGISLATION

This Annual Investment Strategy is prepared in accordance with the statutory guidance on Local Government Investments issued by the Welsh Government. This guidance applies to Town and Community Council's with total investments expected to exceed £250,000 at any time during the financial year.

The guidance is effective for financial years commencing on or after 1 April 2020.

This strategy complies with the requirements set out in Section 15(1)(a) of the Local Government Act 2003. The 2003 Act provides that a local authority may invest:

- For any purpose relevant to its functions under any enactment
- For the purpose of prudent management of its financial affairs

All cash, bank balances, financial assets, borrowings and credit arrangements are defined as part of the Council's treasury management activities.

INVESTMENT STRATEGY

This Annual Investment Strategy concentrates on the Council's temporarily surplus resources (or other financial assets it holds) and the investments it undertakes of those resources. This strategy sets out the Council's policies, objectives and reporting arrangements for the prudent management of its investments.

Magor with Undy Town Council acknowledges the importance of prudently investing any surplus funds held on behalf of the community and defines its treasury management activities as:

Management of day-to-day cash flows, banking and investment transactions; together with effective control of the risks associated with those activities, and the pursuit of best value performance consistent with those risks.

The Council undertakes to ensure that for all its investments, priority will be given firstly to security and liquidity rather than to yield. In drafting this Annual Investment Strategy, the Council has made appropriate arrangements for:

- Identification, management and control of risks in its investments and treasury management activities,
- Budgeting, accounting and audit arrangements,
- Cash and cash flow management requirements,

- Segregation of responsibilities, organisational arrangements, adequate documentation and the identification of a responsible officer for investment/treasury management activities,
- Corporate governance,
- Procedures to ensure it is alert to the possibility it may become subject to an attempt to involve it in a transaction involving the laundering of money.

All investments undertaken by this Council will be made and repaid in Sterling.

In order to diversify an investment portfolio largely invested in cash, investments will be placed with a range of approved financial institutions to minimise risk.

SUMS INVESTED AT 1st FEBRUARY 2025:

CCLA – OPUBLIC SECTOR DEPOSIT FUND: £461,087.53

BARCLAYS BANK – CURRENT ACCOUNT: £12,740.27

BARCLAYS BANK – GENERAL RESERVE FUND: £147,523.34

If any new investments are proposed during the financial year 2025/2026, before such an investment is undertaken it will need to be first approved by Magor with Undy Town Council.

RESERVES

The purpose of this strategy is to set out how the Council will determine and review the level of General Reserves.

The Local Government Finance Act 1992 requires local authorities to have regard to the level of reserves needed to meet estimated future expenditure when calculating the budget requirement and it is the responsibility of the Responsible Financial Officer to advise the Council about the level of reserves and to ensure that there are clear protocols for their establishment and use.

These reserves protect against risk, ensure contingencies are in place and support investment in future projects which are beneficial to the town. Magor with Undy Town Council is thus required to maintain adequate financial reserves to meet the needs of the organisation, it will maintain reserves for the following reasons:

- A sum approximately equal to 3-12 months of its net revenue expenditure will be maintained as the General (non-earmarked) Reserve, in accordance with good practice.
- Other reserves which are earmarked for special purposes or future development, or to meet other commitments, will be maintained as necessary.

General reserves can be used to smooth the impact of significant pressures, offset the budget requirement if necessary or can be held in case of unexpected events or emergencies.

Earmarked reserves will be established on a “needs” basis, in line with planned or anticipated project requirements, and will be established through a decision of the Town Council. Council, when establishing an earmarked reserve, will set out:

- the reason/purpose of the reserve;
- how and when the reserve can be used;
- procedures for the management and control of the reserve;
- a process and timescale for review of the reserve to ensure continuing relevance and adequacy.

Earmarked reserves that have been used to meet a specific liability would not need to be replenished, having served the purpose for which they were originally established.

Magor with Undy Town Council takes a prudent approach to setting its budget each year, considering and reviewing the level of general and earmarked reserves as part of the annual budget preparation. In assessing the level of the Town Council’s reserves, account needs to be taken of the risks facing the Council in terms of any significant unforeseen expenditure requirements.

Magor with Undy Town Council must ensure that a proper and appropriate exercise has been undertaken and that the levels of closing reserves for the year remain “fit for purpose”.

BANKING ARRANGEMENTS

The Council periodically reviews its banking arrangements in a process that assesses accessibility of funds, service level, bank charges, returns and other considerations. Banking arrangements will next be reviewed at the Annual Finance Meeting scheduled for January 2026.