



SAFFRON WALDEN TOWN COUNCIL

Internal Controls

Version	Adopted Policy Date	Minute Reference	Review Date
1	20.07.2020	F & E 097-20	2021
2	21.06.2021	F & E 067-21	2022
3	16.05.2022	F&E 076-22	2023
4	22.05.2023	F&E 071-23	2024 (brought forward to September 2023)

Internal Controls

The enclosed details SWTC's internal control monitoring document, this is a requirement of the council as set out in its adopted Financial Regulations and Standing Orders, extracts below:

Financial Regulations

*1.2. The council is responsible in law for ensuring that its financial management is adequate and effective and that the **council has a sound system of internal control** which facilitates the effective exercise of the council's functions, including arrangements for the management of risk.*

*1.5. At least once a year, prior to approving the Annual Governance Statement, the **council must review the effectiveness of its system of internal control** which shall be in accordance with proper practices.*

Standing Orders

18.A The Council shall consider and approve financial regulations drawn up by the Responsible Financial Officer, which shall include detailed arrangements in respect of the following:

*i. the keeping of **accounting records and systems of internal controls**; the assessment and management of financial risks faced by the Council;*

The purpose of the internal control monitoring document is to ensure good governance and practices are being followed across all council activity.

Saffron Walden Town Council - Internal Control Monitoring Document – 2023-2024

Ref	Saffron Walden Town Council - Internal Control	Risks identified/potential for improvements and review of effectiveness	Action required
1	Governance		
1.1	Standing Orders		
1.1.1	Standing Orders have been adopted setting out the Council constitution and procedures. They are reviewed annually.		Review annually or more frequently should the need arise
1.2	Financial Regulations		
1.2.1	There is an appointed Responsible Financial Officer with the duties detailed in the Financial Regulations		Financial Regulations to be reviewed regularly and as necessary
1.2.2	Financial Regulations have been adopted which set out procedures. They are reviewed annually.		Review annually or more frequently should the need arise
1.3	Freedom of Information		
1.3.1	The Council reviews a Model Publication Scheme annually.		Review annually or more frequently should the need arise
1.4	Complaints Procedure		
1.4.1	The Council adopted a Complaints Procedure in September 2015 which is reviewed annually.		Review annually or more frequently should the need arise
1.5	Measures to prevent fraud and corruption		
1.5.1	The Council reviews its adopted code of conduct annually		Review annually or more frequently should the need arise
1.5.2	All Councillors sign a Declaration of Acceptance of Office on election or co-option and the Mayor completes a declaration of acceptance of office annually		Ensure Councillors and the Mayor signs acceptance at election

Ref	Saffron Walden Town Council - Internal Control	Risks identified/potential for improvements and review of effectiveness	Action required
1.5.3	All Councillors complete a Register of Interests and provide updated information as appropriate. Originals are held at Uttlesford District Council with the Monitoring Officer and can be accessed via the Town Council's website		None
1.5.4	Agenda items for Councillor Declaration of Interest on Committee and full Council agendas		None
1.6	Insurable Risks		
1.6.1	Fidelity Guarantee insurance is held (level recommended by Internal Auditor) to cover employee fraud and dishonesty (Aviva Policy). Last reviewed June 2021.		Review insurance annually Scheduled July 2022
1.6.2	Public liability insurance is held in the sum of £10 million to protect the Council from claims by third parties due to accident or damage resulting from the negligence of the Council (Aviva Policy). Last reviewed June 2021.		Review insurance annually Scheduled June 2022
1.7	Employment Controls		
1.7.1	Staffing levels and salaries reviewed annually as part of the budget setting process. Staff contracts reviewed periodically or as required. Staff contracts are as recommended by NALC/SLCC. Stallard Kane (SKA) have been retained to offer employment advice.		Town Clerk to monitor and record changes as appropriate

Ref	Saffron Walden Town Council - Internal Control	Risks identified/potential for improvements and review of effectiveness	Action required
1.7.2	Job descriptions outline roles. Full review carried out 2019 and staff provided with revised job descriptions as appropriate		Additional review scheduled for late 2022 / early 2023
1.8	Insurable Risks		
1.8.1	Employers Liability insurance held in the sum of £10 million (Aviva Policy)		Review insurance annually
1.9	External Audit Annual Governance Statement Requirements		
1.9.1	Statement of accounts formally approved by Council		Carried out as part of RFO duties
1.9.2	System of internal controls maintained, and its effectiveness reviewed		Updated annually
1.9.3	Council only does things it has legal power to do (under Power of General Competence) and works within approved standards and codes of practice. GPC received 2019.		Next review May 2023 (post elections)
1.9.4	Notice of audit displayed on notice boards to allow electors to inspect accounts as required by Accounts and Audit Regulations		Carried out as part of RFO duties
1.9.5	Financial and other risks are considered and dealt with using this document and the risk register as basis for action, new issues are dealt with during the year as necessary. Risk assessment documents comprise: <ul style="list-style-type: none"> • This document • The risk register • Safety check sheets (as part of H&S control measures) • Asset register 		Updated annually

Ref	Saffron Walden Town Council - Internal Control	Risks identified/potential for improvements and review of effectiveness	Action required
1.9.6	Appropriate steps are taken to deal with matters raised by the internal and external auditors through the appropriate Committee		Review annually
1.10	Other Guidance/Controls/Policies		
1.10.1	<p>The Council has the following Policies:</p> <ul style="list-style-type: none"> • Media & Publicity Policy • Member & Officer Protocol • Health & Safety Policy • Complaints Procedure • Co-Option Policy • Data Protection & Retention • Developer Contributions • Equal Opportunities policy • Access to information policy (FOI) • General Reserves and EMR policy • Committees & Neighbourhood Plan terms of reference • LGPS regulations policy • Emergency plan (to be updated) • Market Terms and Conditions policy • Grants policy • Mayoral chain (and use of) • Investment policy • Signage policy • Film & Photographic policy • Mayoral Selection policy • Retention of documents policy 		Each have their own review schedule (annual or every two years), including provision of any new, appropriate policies

Ref	Saffron Walden Town Council - Internal Control	Risks identified/potential for improvements and review of effectiveness	Action required
	<ul style="list-style-type: none"> • Vexatious behaviour policy • CCTV policy • Climate Change • Cemetery rules and regulations • Financial regulations • General Power of Competence • Standing Orders • Health & Safety policies, risk assessments • Memorial trees, benches and plaques • Planning engagement policy • Safeguarding children and vulnerable adults • Training policy • Volunteer policy • Councillor code of conduct • Concessions Policy • Domestic abuse policy • Equal opportunities • Privacy statement 		
2	Financial Controls		
2.1	Proper Book Keeping		
2.1.1	Cashbook is maintained using Omega software and is updated regularly. Soft copy records backed up weekly. Experienced Bookkeeper (RFO) is employed.		Completed as part of RFO regular duties and presented to the finance and establishment committee for review monthly

Ref	Saffron Walden Town Council - Internal Control	Risks identified/potential for improvements and review of effectiveness	Action required
2.2	Payment Controls		
2.2.1	A list of payments is prepared for each full Finance and Establishment Committee meeting. Two Councillors inspect invoices and sign cheques. Cheques and BACS are prepared by the RFO (non-signatory). Cheque stubs are initialled. Approval of accounts for payment is recorded in the minutes. On a quarterly basis the RFO presents Council's receipts and payments for each quarter and this is included as an integral part of the Full Council agenda; Council's aggregate receipts and payments for the year to date; balances held at the end of the quarter.		Completed as part of RFO regular duties
2.2.2	VAT payments are made showing registration number. VAT is shown separately in cashbook. Quarterly VAT returns are made		Completed as part of RFO regular duties
2.3	Budgetary Controls		
2.3.1	The Council sets a budget on recommendation from each spending committee, and it is approved by full Council in December/January		Scheduled for Full Council adoption December / January annually
2.3.2	Budget Reports are presented to the Finance committee on a monthly basis		Completed as part of RFO regular duties
2.3.3	Any virements/amendments to the budget are discussed and approved by the relevant spending committees and/or delegated as per Standing orders and financial Regulations		Prepared when / if required
2.4	Income Controls		
2.4.1	Cheques are banked daily by the RFO. Cheques are kept in the safe overnight if necessary. The Council has two credit		None

Ref	Saffron Walden Town Council - Internal Control	Risks identified/potential for improvements and review of effectiveness	Action required
	card machines, one in the TIC the other in The Town Hall, all receipts are recorded and reconciled to the bank. BACS and DD receipts are likewise recorded and reconciled.		
2.4.2	Invoices are sent out promptly and chased for payment		None
2.4.3	Bad debts to be reported to full Council who make final decision (Fin Reg. 9.4)		None
2.4.4	Hire fees (Town Hall, Golden Acre, Bridge End Gardens, Bandstand) are reviewed annually by relevant committees to form part of the annual budget		None
2.4.5	UDC issues a remittance advice which confirms the precept which is paid directly into the Council's Lloyds Bank account and this is reported to the Council		None
2.5	Petty Cash		
2.5.1	£200 is maintained in a petty cash for operational and other expenses and managed in accordance with Financial Regulations 6.18a. Payments limited to £200. TIC holds another £200.		None
2.5.2	Petty cash is kept in locked tin in the safe. Access restricted to the Clerk and RFO		None
2.5.3	Cheques prepared by the RFO and are signed by two Councillors		None
2.6	Payroll Controls		
2.6.1	Staff are paid on local council scales approved by Council annually. Pay scales were reviewed annually as part of the budget review process		None

Ref	Saffron Walden Town Council - Internal Control	Risks identified/potential for improvements and review of effectiveness	Action required
2.6.2	PAYE/NIC is paid monthly to Inland Revenue by BACS		None
2.6.3	Superannuation payments are made monthly to Essex Pension Fund		None
2.7	Councillor/Mayor's Expenses		
2.7.1	A sum is included in the precept for Councillor and Mayor's expenses and is reviewed annually		Reviewed under Budget 2022-23
2.8	Asset Controls		
2.8.1	An asset register is held with annual insurance valuation updates. Asset information is recorded in the supporting papers to the final accounts and reviewed and updated following reassessment in April 2018		See notes on Risk Assessment
2.8.2	Cash balances are held in a Lloyds current account for ease of access		None
2.8.3	There is an automatic transfer between the Current and Deposit accounts every day		None
2.8.4	Title deeds to Council property and land are kept by the Council's Solicitors in accordance with their protocols		Ongoing review and reconciliation of details from November 2017
2.9	Asset Controls – Insurable Risks		
2.9.1	Risk assessment and management is reviewed and updated annually		None

Ref	Saffron Walden Town Council - Internal Control	Risks identified/potential for improvements and review of effectiveness	Action required
2.9.2	Checks are carried out periodically by members of staff and annually by an outside contractor		None
2.9.3	List of assets maintained and updated during the year. Insurance cover extended for new acquisitions when appropriate.		None
2.9.4	Assets covered by Material damage and All Risks cover (Aviva Policy)		None
2.9.5	Insurance provider reviewed from time to time for competitive pricing. Reviewed 2019 new 3-year agreement		Scheduled reviewed 2022
2.10	Investment and Borrowing		
2.10.1	Investment & borrowing procedures set out in Financial Regulations and see policies relating to General/EMR and Investments		None
2.11	Risk Management Arrangements		
2.11.1	Risk Register and risk management statements sent to Finance & Establishment Committee for update and approval annually		None
2.12	Bank Reconciliation		
2.12.1	Bank accounts are reconciled by the RFO monthly and verified 6 monthly by the Internal Auditor. Bank reconciliations presented monthly to the Finance & Establishment Committee and quarterly to Full Council		None
2.13	Year End Procedures		
2.13.1	Accounts are prepared on an income and expenditure basis		None

Ref	Saffron Walden Town Council - Internal Control	Risks identified/potential for improvements and review of effectiveness	Action required
2.13. 2	An audit trail is provided by numbering invoices, cost coding in the Omega software and final accounts		None
2.14	Appointment of Proper Officers and RFO		
2.14. 1	Appointment of Clerk via advertising, interview process, checking qualifications and taking of references. Annual appraisal process		None
2.15	Compliance with GDPR		
2.15. 1	The Council has an obligation to comply with The General Data Protection Regulation (GDPR) (Regulation (EU) 2016/679).	GDPR Policies and protocols required, not provided for in previous risk assessment (given uncertainty of legislation and process)	Policy subsequently considered and approved by Council 2018. To be reviewed 2022.