



# Bromyard & Winslow Town Council

## Management of Internal Control Systems

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The Town Council will ensure a robust level of corporate governance through a series of reports and evaluations carried out by elected members of the council, the Town Clerk and Responsible Financial Officer (RFO) and by the promotion of good practice amongst both councillors and staff.

### GENERAL

The Town Council comprises of up to 18 councillors and has five main committees which consider the majority of Council business; these Committees are Planning & Economic Development, Finance, Properties, Burial and the Traffic Management Committee. The Staffing Committee meets as required. Setting the Precept and authorising any borrowing is carried out by Full Council only.

The Council has appointed a Finance Committee to scrutinise those Council policies and procedures which relate to Council finance and properties and make recommendations on any amendments or changes required to ensure that systems of internal control remain robust and fit for purpose. Outside of its function under its Terms of Reference the Finance Committee reports directly to Full Council.

- The principal internal control measures are as follows:
- Financial management;
- Risk management;
- Decision making process.

### MANAGEMENT OF INTERNAL CONTROL

#### 1. *Financial Management – The following controls are in place:*

- Standing Orders and Financial Regulations are two of the governing policies of the Town Council. These are reviewed annually by Full Council and adopted at the Annual Town Council Meeting.
- The Council's banking services are provided by Lloyds Bank.
- The Council uses RBS Software to process transactions and monitor performance against budget. The payroll is contracted out to an accountancy firm who supply the amounts to be paid to staff and HMRC
- Financial Statements including current balances and Income & Expenditure Reports are submitted to each meeting of the Finance Committee and approved by Resolution of that Committee.
- All purchase invoices to be viewed and approved by Finance Committee members.
- All invoices are brought to the attention of the Finance Committee agenda for scrutiny. Invoices above the value of £2,500 are scrutinised by the Finance Committee then recommended to full Council for scrutiny. When required for reasons of expediency, invoices over £2,500 may be presented

- directly to Full Council.
- Cheque signatories and approvers of electronic banking payments are limited to four Members of the Town Council and approved by Full Council. Any changes to the bank mandate are approved by Full Council. Two of the four signatories must sign all cheques and approve all electronic banking payments and requests for transfer of funds from the Savings Account to the Current Account.
  - Any investments and interest levels to be monitored to ensure an appropriate level of return.
  - All reports from the Internal Auditor will be presented to the Finance Committee for approval and action.

*2. Risk management – The following controls are in place:*

- Insurance policy will be reviewed annually or when there are any variations to the items or services insured.
- Standing Orders and Financial Regulations will be reviewed annually to minimise risk.
- Valuation of properties and assets will be reviewed every five years or as circumstances require.
- Risk management reports will be produced as necessary for Council functions.
- Risk management reports will be produced as necessary for all events organised by or permitted by Council.
- Training for staff and councillors will be undertaken to ensure compliance and understanding of current and future legislation and guidance.

*3. Decision making process – The following controls are in place:*

- a) All Councillors must sign a Declaration of Acceptance of Office, the Code of Conduct and the Register of Interests.
- b) Standing Orders are in place to govern the conduct of meetings, voting and quorum.
- c) Financial Regulations are in place to govern the procedures for awarding contracts and other financial matters.

**Review**

- a) Test the effectiveness of the control system through the work of the Internal Auditor
- b) The Finance Committee will review the internal audit report and identify any areas which need improvement. The Finance Committee will then submit to Full Council the Audit Report together with any recommendations the Committee may wish to make.

Adopted by Full Council 28.03.2022