



CINDERFORD TOWN COUNCIL
Internal Control Policy 2025-2026

1. POLICY STATEMENT

Cinderford Town Council are responsible for ensuring that its public business is conducted within the law and proper standards and that public money is used efficiently, economically and effectively. In order to achieve this, the Council acknowledges that they are responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

2. PURPOSE OF INTERNAL CONTROL

The Council's system of internal control is designed to ensure that their activities are carried out properly and as intended. They are set up by the Town Clerk, however it falls upon the Council members to ensure that they have a degree of control and that the effectiveness of the system is reviewed at least annually. Current advice regarding these controls is set out in The Practitioners' Guide Governance and Accountabilty.

3. THE INTERNAL CONTROL ENVIRONMENT

3.1 THE COUNCIL

The Chairman is responsible for the smooth running of Council meetings and ensuring that all Council decisions are lawful. The Council reviews its obligations and objectives and budgets at the level of precept required for the following year at its January meeting after this has been considered at Estates & Finance Committee. The Council monitors progress against its aims and objectives at its meetings by receiving relevant reports. The Council regularly reviews its internal controls, systems, and procedures.

3.2 THE CLERK / RESPONSIBLE FINANCIAL OFFICER

The Council has appointed a Clerk and a Responsible Finance Officer (RFO). The Clerk of the Council acts as the Council's advisor and administrator. The Responsible Financial Officer is responsible for administering the Council's finances. The Clerk is responsible for the day-to-day compliance with laws, and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are adhered to.

The Council will follow the model financial regulations as set out by the National Association of Local Councils and adopted by the Town Council. The main areas of internal control are:

3.3 FINANCIAL ASSESSMENT

Payments – all payments are approved by the Council. All cheques, electronic and direct debit payments (including debit card transactions) are subject to approval by two members (from the authorised list of Councillors with bank approval). Councillors and Officers will never sign blank

cheques. Of the authorised signatories compliance for all transactions will be with any 3 signatories, (two Councillors and the Clerk). Online banking payments procedure to be carried out in line with the Financial Regulations. Online authorisation set as two Councillors and the Clerk.

The Finance Officer will prepare a schedule of payments requiring authorisation and payments made since the last meeting and together with the relevant invoices it will be presented at the Full Council meeting. The approved schedule will be signed by the Chairman. The detailed list of all payments will be disclosed as an attachment to the minutes of the meeting at which payment was authorised.

The Council will not hold petty cash. All cash received will be banked when received.

The annual budget will be set annually by Council ahead of an application for the precept. The budget will be kept under review at Full Council and the Estates/Finance Committee.

The Clerk will be the Responsible Financial Officer and will, along with the Finance Officer, administer the accounts in a proper manner ensuring correct records and internal and external audits are completed.

4. INTERNAL CONTROL

The Council has a responsibility for conducting an annual review of the effectiveness of the system on Internal Control which is formed by:

- The Full Council
- The Estates/Finance Committee
- The Town Clerk and Finance Officer
- The Accountant- supports Clerk/RFO and Finance Officer throughout the year and also advises the Estates & Finance Committee
- The Internal Auditor -reviews the Council's systems of internal control
- The External Auditor - final check using the annual return.

The Council strives for continuous improvement of the system it has designed for internal control and will constantly review and adapt where necessary.

The Verification/Internal Control Councillor will monthly check the accounts and bank reconciliation and will provide a written report to Council. At least every quarter a member of the Estates & Finance Committee (or other appointed Councillors) will check the accounts and bank reconciliations with the Clerk and Finance Officer.

5. INTERNAL AUDITOR

An independent Internal Auditor is appointed by the Town Council. The Town Council will take note of any recommendations to ensure correct standards of accounting are maintained. KJS Accounting provide external advice and support to the Council. Bridget Bowen is currently appointed as Internal Auditor and is independent and competent and reports to Council on adequacy of its systems, procedures internal controls and risk management. The effectiveness of internal auditor is reviewed annually.

6. EXTERNAL AUDITOR

The Council submits an annual return to the external auditor in a timely manner.

The External Auditors, currently PKF Littlejohn carry out the external audit for the Council. Any comments from the External Auditor will be adhered to. The annual certificate of Audit is presented to Council.

7. STANDING ORDERS

The Town Council will abide by the model "Standing Orders" which has been adopted by the Council and supplied to all Councillors.

8. INSURANCE

The Town Council will review its insurance policy annually at renewal to ensure adequate cover is in place. All new capital items are to be insured at time of purchase. The insurance schedule is checked annually before being renewed.

9. RISK ASSESSMENT

The risk assessment of the Council's financial management is reviewed annually and approved.

10. TOWN COUNCILLORS will endeavour to work as a team and be aware of their responsibilities as to the law and proper Town Council procedures. Councillors will attend meetings regularly. The "Good Councillors Guide" and other guides is available electronically on GAPTC's website. The Clerk will endeavour to see that the Town Council operates in accordance with the law and maintains the correct records as required by the law.

11. COUNCIL COMMITTEES

The Council operate a committee structure, using working parties to investigate specific issues.

Committees each have an appointed Chairman who is responsible for the smooth running of the meetings.

12. ASSET REGISTER

The Town Council will maintain an Asset Register. The existence and conditions of assets is checked on an annual basis by the Town Council. The adequacy of insurance of the Town Council's assets is considered annually with the insurance brokers in advance of the insurance renewal. The insurance schedule is checked annually before being renewed.

13. DECLARATIONS OF INTEREST

Councillors will be asked, at the start of each meeting if they have any interests to declare, and if they do, it will be so minuted with the reason why. If the interest is a Disclosable Pecuniary Interest they will leave the meeting unless a Dispensation has been approved.

14. PROPERTY

The Estates Committee and/or Grounds & Maintenance Team will annually carry out a visual inspection to ensure all its property, and areas of responsibility, are in a good state of repair and order. The Clerk will ensure that the play and recreation areas are checked weekly in addition to the external operational inspection report and annual safety check (ROSPA Playsafety reports).

The Grounds & Maintenance Team will attend the Gloucestershire Playing Fields Association training on playground inspections.

Cinderford Town Council undertake Council property and play areas inspections and Council are looking to improve facilities where funds allow.

15. CASH BOOK / BANK RECONCILIATIONS

The cash book is kept electronically on an accounting package (Rialtas Omega) and kept up to date from the original documents – receipts, invoices, and bank statements. The cash book is reconciled to the bank statement each month and a bank reconciliation is approved at each Council meeting and also discussed at Estates & Finance Committee. The bank statements are checked against the bank reconciliation by two members and at least one that is not a bank signatories. The bank reconciliation shall include all bank accounts (current, savings, deposit and other accounts) held by the council and shall show movements of balances on all accounts.

16. FINANCIAL REGULATIONS

The Town Council has adopted Financial Regulations based on the NALC model. The regulations are reviewed for continued relevant and amended where necessary via approval by the Town Council.

17. ORDER / TENDER CONTROL

Financial Regulations refer to procedures relating to tenders.

18. LEGAL POWER

Cinderford Town Council hold the General Power of Competence.

19. VAT RECLAIMS

Cinderford Town Council ensures that the correct amount of VAT is reclaimed in the year and in the required time frames. This is also reviewed by the Accountant at monthly meetings with the Clerk and Finance Officer.

20. INCOME CONTROLS

All income is received and banked in the Council's name in a timely manner and reported to the Council. The Town Clerk ensures that the amount of precept received is correct in accordance with the precept request sent to Forest of Dean District Council and ensures that the precept instalments are received when due.

21. FINANCIAL REPORTING

A budget control, comparing actual receipts and payments to the budget is prepared and presented to the Council and Estates & Finance Committee.

22. BUDGETARY CONTROLS

The budget is prepared in consultation with the Estates & Finance Committee at the October / November meeting and the level of precept is approved by the full Council at the January meeting each year. The precept request is submitted by the deadline dictated by Forest of Dean District Council.

23. PAYROLL CONTROLS

An external payroll provider (SJS Accountancy Services) is appointed. All employees are under PAYE as an employee of the Council and the necessary system for making payments to HMRC is in place. The Finance Officer ensures that the necessary pension returns are made to Gloucestershire County

Council Pensions or other funds and retains evidence that this has been done. The payroll included amounts payable to HMRC and pension funds are approved in advance of payment by the Town Clerk. In April each year the Annual Gross pay, Employers National Insurance and Employers Pension contributions are checked against Employees remuneration as per their contracted terms and conditions.

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