



## **STATEMENT OF INTERNAL CONTROL AND ANNUAL REVIEW OF EFFECTIVENESS OF INTERNAL CONTROL**

**STATUTE – ACCOUNTS AND AUDIT (WALES) Regulations 2014 (as amended).**  
**Reviewed and Adopted OM 14.05.25**

### **1. OVERVIEW**

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.

Local councils are required to conduct, at least once a year, in accordance with proper practices, a review of the effectiveness of its system of internal control.

In order for Rogiet Community Council to review the effectiveness of the Internal Control System there needs to be clarity on the internal controls in place. Some internal controls are listed in the Financial Regulations document but the system of controls goes beyond this. A Statement of internal Controls has been prepared and is appended to this report.

The review should focus on the internal audit standards identified. 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.

IAC Audit and Consultancy Ltd, the Council's internal auditors for 2024-2025.

### **2. RECOMMENDATION**

That Rogiet Community Council give consideration to the attached Statement of Internal Controls at the OM 14.05.25 and are recommended that the controls currently in place were effective.

## STATEMENT OF INTERNAL CONTROL

Cash Book/Bank Reconciliations	<p>The Cash Book is kept up-to-date from original documents.</p> <p>The Cash Book is reconciled to the bank statement on a monthly basis.</p> <p>Bank reconciliations are checked quarterly by an independent member.</p>
Financial Regulations	<p>A document listing the Community Council's financial regulations, based on the model version prepared by NALC is maintained. The regulations are reviewed for continued relevance and amended where necessary by the Clerk/Responsible Financial Officer (RFO) with any proposed amendments subject to approval by the Council.</p>
Legal Powers	<p>A proper legal power is identified in advance of any expenditure.</p>
Payment Controls	<p>A Schedule of Payments is presented to every ordinary meeting of the Council for approval (such approval is recorded in the Minutes).</p> <p>All BACS payments are checked by the RFO and are authorised by two authorised signatories</p> <p>Original invoices are provided to the Council.</p>
S137	<p>A separate s 137 account is maintained</p>
VAT Repayment Claims	<p>The RFO ensures that proper VAT invoices are received where VAT is payable.</p> <p>The RFO maintains a VAT account to show that the correct amount of VAT is reclaimed in the year.</p>
Income Control	<p>The RFO ensures that the amount of Precept received is correct in accordance with the Precept request submitted to Monmouthshire County Council.</p> <p>The RFO ensures that the Precept instalments are received when due.</p> <p>The RFO ensures that all other receipts (hall hire /</p>

	sports pitch hire, etc.) are received when due and correctly calculated.
Financial Reporting	The annual budget and spend to date are presented at an Ordinary Meeting quarterly.
Budgetary Controls	The budget is prepared in consultation with the Council. The Precept is set on the basis of the budget by the deadline set by Monmouthshire County Council.
Payroll Controls	Council's External Payroll – Chepstow Accounting carries out all Council's Payroll requirements including HMRC, Pensions, Auto Enrolment, etc. All staff are paid under PAYE.  Salaries are paid by Bank payment; all payments are approved by Council/two authorised signatories on banking.
Asset Control	The RFO maintains a full Asset Register.  The existence and condition of assets is checked on an annual basis.  The adequacy of insurance of the Town Council's assets is considered annually in advance of the insurance renewal.

Rogiet Community Council



#### Internal Audit Summary for the year 2024-25

(Indicated Internal Control Objectives are not applicable to your Council)

Year End Audit Date: 29/04/2025

Internal Control Objective	Observations	Observation Analysis					Responses			
		Not - Compliant	High	Medium	Low	Advisory	Positive	Negative	N/A	Not Checked
1 Appropriate books of account have been properly kept throughout the year.	0	0	0	0	0	0	0	0	0	0
2 Financial obligations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	1	0	0	1	0	0	11	0	12	0
3 The body assesses of the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	1	0	1	0	0	0	33	0	2	0
4 The annual financial statement and annual financial requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.	0	0	0	0	0	0	13	0	3	0
5 Expected income was fully received, based on correct prices, properly recorded and properly booked, and VAT was appropriately accounted for.	1	0	0	1	0	0	8	1	16	0
6 Petty cash payments were properly supported by invoices, expenditure was approved and VAT appropriately accounted for.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A
7 Salaries to employees and allowances to members were paid in accordance with minutes approved, and PAYE and NI requirements were properly applied.	0	0	0	0	0	0	17	0	2	0
8 Asset and investment registers were complete, accurate, and properly maintained.	1	0	0	1	0	0	7	1	1	0
9 Petty cash and bank account reconciliations were properly carried out.	0	0	0	0	0	0	6	0	11	0
10 Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbooks, were supported by evidence and audit trail from underlying records, and where appropriate, debts and creditors were properly recorded.	0	0	0	0	0	0	8	0	8	0
11 Direct funds (excluding charitable trusts). The Council/Board/ Committee has made its responsibilities clear & trustee.	N/A	N/A	N/A	N/A	N/A	N/A	149	149	0	N/A
Total	4	0	1	1	0	0	101	2	78	0