

## **PERSONNEL POLICY AND FINANCE COMMITTEE – 11 JUNE 2026**

### **AGENDA ITEM 5.3.2 – FINANCE - INTERNAL CONTROLS AND RISK ASSESSMENT**

Council is required to undertake a review of the effectiveness of its internal controls. This review should be undertaken alongside the annual review of:

- Standing Orders;
- Financial Regulations;
- Risk Register;
- Asset Register;
- Insurance Schedule; and
- Internal Audit Effectiveness.

#### **Recommended format to facilitate this:**

A practical Member-level checklist that can be completed by Members of the Personnel, Policy & Finance Committee and approved by Full Council.

#### **Haverfordwest Town Council Annual Review of the Effectiveness of Internal Controls Financial Year Ended 31 March 2025**

#### **Purpose**

This review has been undertaken in accordance with the Accounts and Audit (Wales) Regulations and the Governance and Accountability for Local Councils in Wales – A Practitioner's Guide.

The purpose of the review is to enable the Council to satisfy itself that an adequate and effective system of internal control has been maintained throughout the financial year and to support the approval of the Annual Governance Statement.

The review should be undertaken annually and considered by Full Council prior to approval of the Annual Governance Statement and Accounting Statements.

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#### **Assessment Scale**

##### **Assessment Meaning**

Yes	Control is in place and operating effectively
Partial	Control is in place but improvements are required
No	Control is absent or ineffective
N/A	Not applicable

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## **A. Governance Framework**

<b>Question</b>	<b>Yes</b>	<b>Partial</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
Has the Council adopted Standing Orders?					
Have Standing Orders been reviewed within the last 12 months?					
Has the Council adopted Financial Regulations?					
Have Financial Regulations been reviewed within the last 12 months?					
Is there an approved Scheme of Delegation where applicable?					
Are Council and Committee decisions properly recorded in minutes?					
Are Council decisions implemented appropriately?					
<b>Assessment (Clerk to insert narrative based on scoring)</b>					

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## **B. Financial Management**

<b>Question</b>	<b>Yes</b>	<b>Partial</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
Was an annual budget approved before the start of the financial year?					
Is actual expenditure monitored against budget throughout the year?					
Are budget monitoring reports regularly presented to Members?					
Are accounting records complete and up to date?					
Are bank reconciliations completed regularly?					
Are bank reconciliations independently reviewed?					
Are payments properly authorised in accordance with Financial Regulations?					
Is income promptly recorded and banked?					
Are reserves regularly reviewed and monitored?					

**Assessment (Clerk to insert narrative based on scoring)**

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**C. Risk Management**

Question	Yes	Partial	No	N/A	Comments
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Does the Council maintain a Risk Register?

Has the Risk Register been reviewed during the year?

Are significant risks identified and assessed?

Are mitigating actions identified and monitored?

Has the Council reviewed insurance arrangements?

Are insurance levels considered adequate?

Does the Council have business continuity arrangements?

**Assessment (Clerk to insert narrative based on scoring)**

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**D. Assets and Property**

Question	Yes	Partial	No	N/A	Comments
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Is an Asset Register maintained?

Has the Asset Register been reviewed during the year?

Are assets adequately insured?

Are arrangements in place to safeguard civic regalia and other valuable assets?

Are property maintenance requirements monitored?

Have property insurance values been reviewed?

**Assessment (Clerk to insert narrative based on scoring)**

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## **E. Payroll and Staffing**

<b>Question</b>	<b>Yes</b>	<b>Partial</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
Are payroll arrangements independently administered or checked?					
Are salary payments authorised by Council?					
Are staffing structures regularly reviewed?					
Are employment contracts in place for all employees?					
Are pension and HMRC obligations being met?					
Are staff appraisals and performance reviews undertaken?					
<b>Assessment</b>					
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## **F. Procurement and Contracts**

<b>Question</b>	<b>Yes</b>	<b>Partial</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
Are procurement procedures compliant with Financial Regulations?					
Are quotations and tenders obtained where required?					
Are contracts formally approved and recorded?					
Is contract performance monitored where appropriate?					
<b>Assessment (Clerk to insert narrative based on scoring)</b>					
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## **G. Grants and Community Funding**

<b>Question</b>	<b>Yes</b>	<b>Partial</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
Does the Council operate a documented grants policy?					
Are grant awards approved by Members?					
Are grant decisions properly recorded?					
Are grant recipients required to report on use of funding where appropriate?					

**Assessment (Clerk to insert narrative based on scoring)**

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**H. Information Governance and Transparency**

Question	Yes	Partial	No	N/A	Comments
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Is the Council registered with the Information Commissioner's Office where required?

Are data protection policies in place?

Are publication requirements being met?

Is the Council website maintained and up to date?

Are statutory documents available to the public?

**Assessment (Clerk to insert narrative based on scoring)**

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**I. Internal Audit and External Audit**

Question	Yes	Partial	No	N/A	Comments
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Was an independent Internal Auditor appointed?

Was the Internal Audit Report received by Council?

Have Internal Audit recommendations been considered?

Have any External Audit recommendations been implemented?

**Assessment (Clerk to insert narrative based on scoring)**

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**Overall Conclusion**

Having reviewed the Council's governance, financial management, risk management and internal control arrangements, the Council concludes that:

- ☐ The system of internal control was effective throughout the year.
- ☐ The system of internal control was generally effective with minor improvements required.
- ☐ Significant weaknesses were identified and require corrective action.

## Summary of Key Findings

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## Action Plan

**Improvement Required Responsible Officer/Committee Target Date**

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## Council Resolution

The Council considered and approved this Review of the Effectiveness of Internal Controls at its meeting held on \_\_\_\_\_.

The Council is satisfied that it has maintained an adequate and effective system of internal control during the financial year ended 31 March 2025 and has taken account of any identified improvements within its governance arrangements.

Minute Reference: \_\_\_\_\_

Chair: \_\_\_\_\_

Date: \_\_\_\_\_

## Recommendation

The Committee recommends to Full Council that the enclosed Internal Controls Checklist is issued by the Clerk for completion by Members of the PPF Committee and approval by Council by the end of June 2026.

Vanessa Lewis Camacho  
June 2026