ENCLOSURE 5

Kenilworth Town Council

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INTERNAL CONTROLS POLICY – Annual Review

Date of Approval – 16~~31~~ July 2026~~5~~

Appendix A – annual review 2025~~4~~/2026~~5~~

This table includes a list of specific measures taken by Kenilworth Town Council demonstrating that the Council has arrangements in place to ensure it's systems of internal control are fully documented, and gives details of how these are administered and monitored.

The table can be used as a template for an annual review to ensure compliance.

System of internal control	Confirmation	Details and Monitoring
1. Appointment of Clerk and Responsible Finance Officer (RFO)	Clerk and RFO appointed to post May 2015	Council reviewed eligibility and resolved to adopt General Power of Competence in June 2023. (TC.31) Clerk remains up to date on training needs and professional development.
2. Adoption of Code of Conduct for Members	New LGA Code of Conduct adopted in September 2022	Resolution to adopt new LGA Code of Conduct made on 7/4/22 with effect from 1/5/22. (TC. 740) Any New Members are asked to adopt the Code of Conduct on appointment. This is reviewed in line with the LGA and WDC requirements.

		~~A review is due to take place during 2025.~~ The Code of Conduct appears on our Town Council agendas on an annual basis.
3. Standing Orders and Financial Regulations (adoption and review)	The NALC standard version of both Standing Orders and Financial Regulations have been adopted by the Council. These are supplemented by additional Policies and Procedures	Standing Orders and Financial Regulations are reviewed in line with NALC requirements. FR were last reviewed on 03/10/2024 and amended. (TC. 142) SO were last reviewed on 11~~2~~/09~~12~~/25~~19~~ (TC. 643~~71~~). ~~KTC are aware these are due to be amended during 2025 by NALC.~~ The Standing Orders and Policy Working Group were re-appointed at the Annual Meeting on 14~~8~~/5/26~~3~~ (AM. 3~~0~~7)
4. Financial and Management Risk Assessment (adoption and review)	The Council regularly reviews its Risk Management	Formal review of Risk Managements by Full Council on 12~~3~~/6/2025~~4~~ (TC. 569~~279~~)
5. Asset Register and annual review of accuracy	Asset register is reviewed throughout the year as a working document and formally updated annually.	Reviewed by officers and published as an agenda enclosure for approval. This is prepared at the end of the financial year and submitted to Full Council alongside the Year End Accounts. 12~~3~~/6/2025~~4~~ (TC. 570~~280~~)
6. Annual review of effectiveness of internal controls	Clerk provides report detailing Annual Governance Statement & Return of accounts, which gives guidance to Members of the evidence of the Council's compliance.	Members consider at Town Council meeting when approving governance and Accounts. 12~~3~~/6/2025~~4~~ (TC. 571~~281~~) Statement of internal controls to be provided annually at Town Council.
7. Reappointment and review of the effectiveness of the internal auditor	Victoria Becker ~~David Phillips~~ of Phillips & Becker is currently appointed and attends the Town Council offices every quarter to carry out checks. Sh~~H~~e signs and verifies bank reconciliations and the bank statements, crosschecks the Cash Book for payments and	Full Council confirms the annual appointment of the Internal Auditor. The Internal Auditor produces and submits quarterly reports. Reports are submitted to the Chair & Vice Chair of the Finance ~~& General Services~~ Committee, and are

	receipts, with all invoices, receipts and paperwork. Receipts for any petty cash items are checked including the VAT element which can be reclaimed. Payroll is checked and that the bank net salaries agree with the payroll analyses and reports. Sh~~H~~e then checks the PAYE and Pensions sums against the reports, checks the quarterly VAT return, and that entries match paperwork and the amount on the return matches with our VAT Control account number. The internal auditor carries out their annual statutory duty by reviewing and signing the Annual Internal Audit Report.	Standing items on the Agenda for discussion and review. 12~~3~~/6/2025~~4~~ (TC. 572~~282~~)
8. Review of internal audit arrangements and implementation of any recommendations	The auditor reports to Council on a quarterly basis following her~~is~~ visit. Advice is sought from the Internal auditor regarding issues that may arise, including relating to VAT, and other tax matters.	All Finance~~ & General Services~~ Committee meetings include a standing Item to discuss any issues raised by the Internal Auditor following her~~is~~ quarterly visit. The RFO and Chair of Finance routinely discuss the report submitted and any issues that are raised for action. Last 12~~6~~/2/2026~~5~~ (FGS. 299~~190~~)
9. Safe and efficient arrangements to safeguard public money	Finance Regulations set out all procedures to follow. Supplemented by additional policies including the Assets & Investment policy and Financial Reserves Forecast reports.	An Asset and Investment Policy was drafted and adopted by Full Council on 9/6/22. (TC. 780). Last amended 21~~3~~/5/26~~4~~. (FGS 329~~126~~) The RFO is the sole officer with access to the online banking system for accessing account details and transactions, and for making payments.

10. Regular scrutiny of financial records and proper arrangements for the approval of expenditure	An annual review / confirmation of signatories authorised to approve payment schedules and sign cheques takes place.	Payment schedules are drawn up and forwarded to two of six signatories along with all accompanying invoices. Written confirmation is received by the RFO before payments are made by BACS. Confirmation is filed.

		An annual review of signatories takes place. Approval of monthly expenditure takes place at each Full Town Council meeting and all payments over £500 are published on the Town Council website

11. Adherence to the internal financial control systems detailed in the financial regulations	The Council's Finance Regulations are regularly reviewed and updated as necessary in accordance with NALC requirements, e.g. setting financial authority and limits on spending and addressing areas that may lead to non-compliance. In areas such as Procurement, or large sums of expenditure, professional advice is sought. Where additional Policies are adopted that refer to financial matters, these are referenced to the Finance Regulations.	Kenilworth Town Council's Finance Regulations are followed and for any contracts valued at £30,000 or more the Council has arranged for professional support and due diligence checks to be undertaken on its behalf. Finance Regulations were last reviewed and amended on 3/10/2024. (TC. 142) Internal control documentation includes Standing Orders and policies/procedures and Financial Regulations. At the Annual meeting ~~on 18/5/23~~ the Council re-appoint~~ed~~ Members of a Standing orders and Policies Review Working Group to routinely review existing policies and recommend/draft new Policies for adoption by Full Council. ~~(AM.07)~~ Internal control also requires Members to act as signatories to cheques and for payment authorisation, both for schedules for electronic payments to be made and for cheques. A list of designated banking signatories is drawn up (from a Resolution) as a Mandate and their signatures are lodged at the bank. These Members can also sign Staff claims for mileage.
12. Scrutiny of calculations provided by RFO in relation to monthly payroll	To provide continuity, it is desirable that the Chair & Vice Chair of Finance are approached first with payment schedules that include salary payments.	Pay slips are reviewed by two Member signatories and confirmation given in writing to the Clerk before salary payments are authorised, and then paid.

13. Regular employer returns to HM Revenue and Customs	Regular / monthly returns made to HMRC re Payroll, all staff have employment contracts, with a sound system of updating changes	An external payroll professional is contracted to process salaries and pensions, and salary related documentation. (Accountable Solutions) The Clerk confirms all instructions in writing and checks the reports.
14. Completion of quarterly VAT return and the RFO ensuring they are up to date in matters of VAT and other taxation issues as necessary	Regular quarterly VAT returns submitted. RFO regularly reviews updates and attends relevant officer VAT training.	Quarterly returns submitted. ~~RFO attended training course "The basics and making VAT digital" SLCC training course on 14/2/23. Recorded on CPD training log and course training handouts shared with colleagues.~~
15. Regular budget monitoring statements provided to council	Kenilworth Town Council uses the Rialtas Accounting system and produces a set of reports after the monthly bank reconciliation has taken place.	The following monthly reports are provided as Enclosures to the Full Council meeting agenda and published on our website: Detailed Income & Expenditure (I & E) report, Balance Sheet, Trial Balance, Receipts and Payments from Cashbook
16. Preparation and dissemination of regular financial reports comparing actual expenditure against forecasts		I & E Reports shared with Members show comparison against budget, actual year to date, variance, funds available and movement to / from EMRs Financial Reserves Forecast report prepared and considered annually. ~~twice yearly~~. "Technical Budget" is prepared by RFO and Chair of Finance together and submitted to Group Leaders for discussion with their political parties, prior to budget setting item on the Finance ~~& General Services Committee~~ Agenda.

17. Regular review of such reports by officers, and by members in Committee and Council	Council reviews its obligations, budgets and the level of precept and reserves required for the following year	The Finance ~~& General Services~~ Committee meet four times a year. The Financial Reserves Forecast report is prepared and considered annually. ~~twice yearly~~

18. Procedures for dealing with and monitoring the Council's Community Grants scheme and CIL funding applications	There is a policy in place for Minor and Major Grants, including forms and requirement for interview. A CIL policy is also in place.	Project Support Grants Policy in place – revised 21/5/26 ~~19/10/23~~ (TC. 328~~114~~) Regular Monitoring re reports received CIL Policy revised and approved on 24/10/24.
19. Minutes properly numbered with a master copy kept in safekeeping	Minutes are properly numbered and paginated with a master signed copy kept and bound	Minutes are kept in a secure, locked location and are regularly bound.
20. Procedures for document receipt, circulation, response, handling and filing	Officers refer to published guidance for document retention and filing.	Hard copy filing system is secure in locked environment. Email accounts are monitored regularly by officers and correspondence actioned according to agreed standards.
21. Procedures in place for recording and monitoring Members' Registers of Interests and recording any Gifts and Hospitalities received	New Code of Conduct issued to Members clearly sets out requirements. Clerk and WDC Monitoring Officer are available to give advice and support re interests to be registered and whether Gifts/Hospitality need to be declared.	The Town Clerk regularly reminds Members to advise of any updates to their Interests forms. Forms are shared with Warwick District Council's Monitoring Officer and are published on the WDC website and on the KTC websites. Forms are available from the Town Clerk to record any Gifts and Hospitality received totalling more than £50
22. Procedures in place for staff and Chair of FC~~&GS~~ to keep up to date with best practice internal control for Councils. Councillors to keep up to date on the Council's finances and budget-setting process.	Annual WALC conference and additional adhoc training courses available for staff through WALC, NALC and SLCC. Pre-arranged briefings for Councillors.	The Town Clerk/RFO and the Chair of Finance to take part in the Annual WALC conference and any adhoc training as required. Clerk takes part in quarterly WALC Clerk meetings to ensure up to date with best practise. Briefings held with Councillors as required, focussing on new Councillors at each new intake ~~in October 2023~~, to discuss the Council's finances and related procedures. Delivered by the RFO.