

Item 8 Appendix 1 Internal Controls Checklist

Appendix 1 - Checklist for requirement of effective internal control	Yes	No	Notes
14.1 Risk			
a) Are Risk Management Arrangements in place?			
➤ Corporate	Yes		Corp Risk Register in place
➤ Financial	Yes		Financial risk register in place
➤ Health and Safety	Yes		Health and Safety Policy in place
b) Does a scan of the minutes identify any unusual activity?			All items minuted and financial issues reported regularly
c) Do the minutes record the Council carrying out an annual risk assessment?	Yes		Yes
d) Is insurance cover appropriate and adequate?	Yes		Reviewed annually - currently under review
e) Are internal financial controls documented and regularly reviewed?	Yes		Annual review of Internal Controls document
14.2 Assets Controls			
a) Does the Council keep an Assets Register of all material assets owned?	Yes		Yes - recently updated following IT equipment purchases
b) Is the Register up to date?	Yes		https://todmorden-tc.gov.uk/wp-content/uploads/2020/10/Todmorden-TC-Asset-Register-2020-updated-141020.pdf
c) Do asset insurance valuations agree/reconcile with those in the Register?		No	Under review and for regalia access needed to obtain insurance valuation - covid restricted.
14.3 Building Ownership			
a) Are statutory services carried out?		No	Not applicable at present
b) Are assets maintained to an acceptable standard of repair?		No	Not applicable at present
c) Are utility costs regularly monitored?		No	Not applicable at present
d) Are leasehold interests effectively managed?	Yes		Lease to Walsden Cricket club under review

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e) Do tenants have up to date rental agreements and are they effectively managed?	Yes		Lease to Walsden Cricket club under review
14.4 Budgetary controls			
b) Is actual expenditure against the budget and the reasons for significant variances regularly reported to Council?	Yes		Reported at every Town Council meeting and detail at Resources Committee
c) Are there any significant unexplained variances from budget?		No	Detailed Expenditure report provided and no unexplained variances to budget.
14.5 Income controls			
a) Is income properly recorded and promptly banked?	Yes		Cash reconciliation confirms receipts (infrequent) banked promptly.
b) Does the precept recorded in the cashbook agree to the District Council's notification?	Yes		Confirmation letter received and checked as appropriate for internal audit April 2020
c) Are security controls over cash adequate and effective?	Yes		Petty cash in locked tin. Normally in safe but with admin officer whilst unable to access office frequently.
d) Are rents collected as they fall due or arrears arrangements adhered to?	Yes		Only Walsden Cricket club £150 - notified 2020/21 pending lease discussion
e) Are other debts collected as they fall due or are credit control escalation arrangements adhered to?	Yes		No outstanding debtors. Grant clawbacks effected with one to clarify.
f) Are invoices raised promptly and accurately after an appropriate trigger event or milestone?	Yes		Raised if any recharge arrangement in place.
14.6 Bank Reconciliation			
a) Is there a bank reconciliation for each bank account?	Yes		Reconciled with Councillor M Taylor as at 30th September otherwise monthly reconciliation reported into Resources Committee

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b) Is the bank reconciliation carried out regularly on the receipt of statements?	Yes	Yes		On line banking download as required
c) Are there any unexplained balancing entries in any reconciliation?			No	All reconciled.
d) Is the bank mandate up to date?	Yes	Yes		No changes since July 2019
14.7 Petty Cash Procedures				
a) Is all petty cash spent recorded and supported by VAT invoices/receipts?	Yes	Yes		Voucher posted to accounts
b) Is petty cash reimbursement carried out regularly?	Yes	Yes		As required.
14.8 Payroll Controls				
a) Do salaries paid agree with those approved by Council?	Yes	Yes		Processed by External accountant based on contract letter as evidence
b) Are other payments to the Town Clerk (other officers) reasonable and approved by Council?	Yes	Yes		Mileage claim submitted and signed as part of schedule to Council. Occasional reimbursement if needing to pay for something for Town Council personally pending petty cash or reimbursement - example Zoom registration when debit card not operative.
c) Have PAYE/NIC/pensions been properly operated by the Council as an employer?	Yes	Yes		Processed by External accountant based on contract letter as evidence
d) Are HR matters (e.g. recruitment, objectives, appraisals, annual leave) effectively managed?	Yes	Yes		New HR appraisal system adopted and HR external company support.
14.9 Year-End Procedures				
a) Are year-end accounts prepared on the correct accounting basis?	Yes	Yes		Internal Audit and External audit confirmation
b) Do accounts (e.g. fixed assets, debtors, creditors, cash) agree with underlying records and registers?	Yes	Yes		Balance sheet produced regularly for cross check
c) Have accruals and prepayments been recorded correctly?	Yes	Yes		None at year end

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d) Is there an audit trail from underlying financial records to the accounts?	Yes		Invoices with paymern cover sheets wiith payment ref numbered to schedules signed by Council
e) Is the external audit carried out promptly with any errors or control deficiencies reported and actioned promptly?	Yes		Submitted in time and no adv erse comments.
Internal controls system checked and validated		Date	27/10/2020
Cllr M Taylor on behalf of Resources Committee		