



## TODMORDEN TOWN COUNCIL

<b>REPORT AUTHOR</b>	<b>Cllr Michael Taylor</b>
<b>TEL NO</b>	<b>01706 548135 / 07306109131</b>
<b>EMAIL</b>	<b>townclerk@todmorden-tc.gov.uk</b>
<b>Date</b>	<b>4<sup>th</sup> November 2020</b>
<b>SUBJECT</b>	<b>Banking Reconciliation and Internal Controls</b>

### **PURPOSE:**

1. To remind Members that as part of good governance and in compliance with financial regulations, I was asked on behalf of the Resources Committee to carry out with the Responsible Financial Officer (RFO), a cash reconciliation and an overview of compliance with internal controls.
2. To advise Members that I undertook such an exercise via zoom with the RFO on 27<sup>th</sup> October 2020, having been provided with papers beforehand, and am able to confirm that having reviewed these documents, and undertaken the cash reconciliation exercise on screen, confirm that to my best knowledge all records and accounting processes are correct as at 30<sup>th</sup> September 2020.
3. To advise Members that the only area I could not address related to a physical count of petty cash held on hand as of 30<sup>th</sup> September 2020. This is currently held by one of the officers who currently has Covid 19. It is not a material sum in relation to our overall budget and I will at some future stage undertake a specific petty cash reconciliation

### **CHECKS UNDERTAKEN:**

4. The following checks were undertaken.
  - Bank account record of payment to Schedule of payments produced for Council to sign off.
  - Bank balances for all accounts as of 30<sup>th</sup> September to Balance Sheet
  - Closing bank statement balance as of 31<sup>st</sup> August prior to September accounting entries
  - September accounting entries cross checked to bank statement entries and reconciled to outstanding items to be reconciled.
  - Reconciled to all balances as of 30<sup>th</sup> September 2020 (as reported to Town Council on 14<sup>th</sup> October 2020)
  - Vat return completed and submitted – copy of manual submission provided.
  - Process of payment cover sheet with accompanying invoice /instruction/authority to pay and proof of payment made reviewed. It was not possible to check physical invoices, but invoices were shown attached to payment authorities.
  - Appendix 1 – Internal controls document was reviewed and all compliant except Petty Cash check.

5. At a further review I will undertake some specific invoice sampling.

**FINANCIAL CONSIDERATIONS:**

6. Record keeping is accurate and the information that is presented to Members regularly, based on this exercise, to the best of my knowledge the information provided is both timely and correct.

**RECOMMENDATION:**

7. That Members note the report.

**POLICY IMPLICATIONS:**

8. The Town Council has adopted a formal internal controls document.

**SUPPORTING PAPERS:**

9. Appendix 1 – Internal Controls checklist

FURTHER INFORMATION, PLEASE CONTACT: Colin Hill