

## Nelson Town Council

### REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL CONTROL

Internal Control	Suggested Testing	Yes	No	Town Council Controls / Comments
<b>Standing Orders &amp; Financial Regulations</b>	1) Has the Town Council formally adopted Standing Orders and Financial Regulations			
<b>Payment Controls &amp; Bookkeeping</b>	1) Has a Responsible Financial Officer been appointed with specific duties? 2) Have items or services been competitively purchased? 3) Is the cashbook maintained and up to date? 4) Is a bank reconciliation carried out regularly? 5) Are payments in the cashbook supported by invoices, authorised in accordance with a minute resolution or delegated authority within the Scheme of Delegation? 6) Has VAT on payments been identified, recorded and reclaimed? 7) Is s137 expenditure separately recorded and within statutory limits? If the Council has declared the General Power of Competence, this is no longer a requirement.			
<b>Receipts / Income Controls &amp; Petty Cash</b>	1) Is income properly recorded and banked? 2) Does the precept approved, agree to the Council Tax authority's notification? 3) Are the petty cash floats adequate in size to meet small expenditure and do not require reimbursement more frequently than a month? 4) Is all the petty cash recorded and supported by VAT invoices/receipts? 5) Is petty cash expenditure reported to a council meeting?			
<b>Debt Collection</b>	1) Does the Council have in place debt monitoring arrangements for the collection of sums of money owed to them for Allotments and other council activities, for example, room and hall hire?			
<b>Employment / Payroll Controls</b>	1) Do all employees have contracts of employment with clear terms and conditions? 2) Do salaries paid agree with those approved by the Council? 3) Are other payments to employees reasonable and approved by the Council? 4) Have PAYE/NIC been properly and operated by the Council as an employer?			

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<b>Asset Controls</b>	1) Does the Council maintain an asset register of all material owned or in it's care? 2) Are the assets and investments registers up to date? 3) Do asset insurance valuations agree with those in the asset register?			
<b>Risk Management Arrangements</b>	1) Does a review of the minutes identify any unusual financial activity? 2) Do minutes record the council carrying out an annual corporate risk assessment? 3) Is the insurance cover appropriate and adequate, including the arrangement for Fidelity Guarantee?			
<b>Bank Accounts</b>	1) Is the bank mandate up to date and have the list of authorised signatories been approved by the Council?			
<b>Budget and Financial Statement</b>	1) Has the Council prepared an annual budget in support of it's precept? 2) Is actual expenditure against the budget regularly reported to the Council? 3) Are there any significant unexplained variances from budget?			
<b>Year End Controls</b>	1) Are year end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure) by the RFO or by a competent individual ie Accountant?			

**The effectiveness of internal control (underpinned by the internal controls checklist above) was carried out by:**

**Signed:** ..... **Print Name**

**Dated:** .....

**Signed:** ..... **Print Name**

**Dated:** .....

**Signed:** ..... **Print Name**

**Dated:** .....