



## EVESHAM TOWN COUNCIL



Finance and General Purposes Committee meeting TUESDAY 30th August 2022 at 6.30 p.m. in the Council Chamber at the Town Hall

### Item 7 – To review the effectiveness of the council’s system of internal control

The review of the council’s internal controls and, additionally, the review of their effectiveness is required each financial year for audit. The council declares compliance at point 2 of the Annual Governance Statement.

The system of internal control refers to the strategies, policies and procedures that are in place within the council, which together help to ensure the effective exercise of its functions, the achievement of its aims and objectives, the management of risk, and the effective financial management of the Council in compliance with all relevant laws, regulations and proper practices.

The review of internal controls was flagged up in the internal audit for 2021/22, hence this item.

The Internal Controls checklist is attached to this report.

**The Committee is asked to review its Internal Controls checklist and to decide if any modifications are necessary.**

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**EVESHAM TOWN COUNCIL  
INTERNAL CONTROLS CHECKLIST**

<b>Control</b>	<b>Method</b>	<b>Evidence</b>	<b>Date done</b>
Up to date register of assets and investments	Amended annually	Printouts provided by Clerk	
Regular maintenance arrangements for physical assets	Weekly inspections by groundsman – reporting to Clerk Day to day observations and reporting verbally to Clerk by all staff	Record sheets kept	
Annual review of risk and adequacy of cover	Risk assessments updated at end of financial year, insurance cover checked annually at renewal	Risk assessment Insurance schedule	
Ensuring robustness of insurance providers	Only recommended providers used – ie: Zurich or Aon	Regulated by the F.S.A.	
Standing orders and financial regulations dealing with the award of contracts for services or purchase of capital equipment	Standing orders and financial regulations in place and reviewed annually	Standing orders and financial regulations and minute evidence of annual review	
Regular reporting on performance by suppliers/providers/contractors	At annual review unless Clerk identifies problem	Annual review of contracts – see minutes	
Annual review of contracts	At budget preparation time	As above	
Clear statements of management responsibility for each service	Clerk's responsibility	Clerk's job description	
Regular scrutiny of performance against targets	Contractors monitored by all staff to ensure workmanship and contracts fulfilled satisfactorily.	Monitoring of contractor to contract set.	
Adoption of and adherence to	Investment policy agreed	Investment policy in place	

codes of practice for procurement and investment	Procurement policy adopted	Procurement policy in place	
Arrangements to detect and deter fraud and/or corruption	Segregation of financial duties in office Invoices checked against contracts and work completed.	Evidence of segregation of duties.	
Regular bank reconciliation, independently reviewed	Completed monthly and resulting budget comparison presented to Council	Printouts from accounts package showing bank reconciliation and bookkeeping records	
Regular scrutiny of financial records and proper arrangements for approval of expenditure	Presented to Council for approval on a monthly basis. No cheques issued without prior approval of Council unless under urgent procedures as laid down in Financial Regulations	Financial regulations Minutes showing approval of cheque payment list at Council meeting	
Recording in the minutes the precise powers under which expenditure is being approved	Clerk only presents expenditure to Council which it has power to undertake	Budget indicates power to spend	
Annual Return to the Inland Revenue, contracts for all staff annually reviewed at appraisal. Systems of updating records for any changes in legislation.	Annual return to Inland Revenue, monthly payment of PAYE and NIC. Contracts in place for all staff. Updates in legislation notified by Inland Revenue/SLCC/NALC	Payroll records Cheque payment lists Contracts of employment	
Regular returns of VAT; training the responsible officer in matters of VAT and other taxation issues as necessary	Quarterly VAT returns completed. RFO attends training as necessary	VAT returns	
Regular budget monitoring statements	Monthly reports to Council – detailed reports bi-monthly to Finance and Property Committee	Minutes of F & P and full Council	
Developing systems of performance measurement	Appraisals undertaken by Clerk annually	Appraisal records	
Procedures for dealing with and monitoring grants or loans made or received.	Annual grants awarded system in place Grants awarded to Council earmarked for work to be undertaken	Grants debated in July/August Earmarked reserves used to ensure grants spent as agreed	

Minutes properly numbered and paginated with a master copy kept in safekeeping	See minute book	Minute book	
Documented procedures to deal with enquiries from the public	No written procedures but customer service paramount Complaints procedure in place	Complaints procedure	
Documented procedures in place to deal with consultation requests	Consultation information to Council meeting Documentation in office	Documents	
Documented procedures for document receipt, circulation, response, handling and filing	Active file drawer Committee boxes Pending and "to do" list and file	Committee boxes Folders	
Procedures in place for recording and monitoring members interests	Members interests register kept and updated annually	Register of Interests	
Adoption of codes of conduct for members and employees	Members Code of Conduct adopted 2012 Employees' code of conduct drafted.	Minute adopting Code	