Risk assessment of financial systems and internal controls for Alton Town Council, prepared by the Town Clerk and Assistant to the Town Clerk, 31 March 2026

No.	*Internal Control Tests*	*Findings*
1	**Proper Bookkeeping**	
1.1	Is the cashbook maintained and up to date? Format used?	Yes. The cashbook is maintained on the RBS Rialtas Omega system and was prepared up to 31st December 2025. It was up to date and accurate, as approved by the Internal Auditor on 7th January 2026.
1.2	Is the cashbook arithmetically correct?	Yes. The cashbook is analysed into Budget head codes for both receipts and payments, and these were agreed to End of Year Trial Balance totals for 2025/26 and were arithmetically correct.
1.3	Is the cashbook regularly balanced?	Yes. The Cashbook is posted daily with monthly bank reconciliations for the Current account. Bank reconciliations are sent monthly to all Councillors with the Full meeting agenda and papers. Two Councillors sign & date these Reconciliations along with the supporting bank statements as part of the meeting and this is included in the minutes to confirm they are accurate as part of the governance and monitoring role.
2a	**Standing Orders and**	
2.1	Has the Council formally adopted Standing orders and Financial regulations, & dates approved?	Yes. Financial Regulations have been reviewed and adopted by the Full Council on the 7th January 2026 (minute ref 105) . Standing Orders were reviewed and approved by the Full Town Council on 9th April 2025 (Minute reference 163)
2.2	Has an RFO been appointed with specific duties noted in both contract & Financial Regulations?	Yes. The Town Clerk/RFO has a formal contract reflecting his position, the details of which were checked by Michael Page employment consultants for accuracy.
2.3	Have items or services been purchased in line with Financial Regulations?	Yes. All items and services purchased were in line with the current Financial Regulations.
2b	**Payments Controls**	

No.	*Internal Control Tests*	*Findings*
2.4	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes. The Administration Officer at the Town Council is responsible for raising purchase orders. Purchase orders are completed and held on file. When the invoices/delivery notes are received these are checked by the Assistant to the Town Clerk for accuracy and sent to the Town Clerk or Deputy Town Clerk for approval/authorisation before being paid. All contract information with Suppliers/Contractors Leases are held at the Town Council Offices and will be checked by the Assistant to the Clerk when invoices are received for payment. All invoices are passed to the Assistant to the Clerk for checking and confirmation of contract information with proper invoices supporting all payments, which are cross-referenced by BACS details and date paid. A twice-monthly payment run is processed to pay invoices after they have been approved by two Councillors. A schedule of payments over £500 is prepared by the Assistant to the Clerk and presented to the Full Council monthly for information to meet the requirements of the transparency code. Councillors are mandated as bank signatories and can authorise payments remotely to confirm the BACS schedules for payment are correct. Remote access is password-protected for authorisation of BACS payments from the bank. Gas, electricity, water and PAYE are paid via Direct Debit as approved by Full Council.
2.5	Has VAT on payments been checked, recorded and reclaimed? Frequency, & refunds into which A/c?	Yes. Proper VAT invoices are provided, when relevant, with VAT checked and entered in VAT column in Cashbook. VAT elements for reimbursement are listed in the VAT control account and checked monthly by the Assistant to the Clerk. Reimbursement is made on a quarterly basis and paid directly into the Unity Current Account.
2.6	Is S.137 expenditure separately recorded & in limit?	Yes. The Town Clerk will obtain Full Council approval for all grant payments. These are coded separately and shown in the cash book. Alton Town Council is subject to S137 limits as the Council is not eligible for the General Power of Competence. The limit is £11.60 per elector for this financial year and there are approx. 15,500 electors in the Alton Town Council area.
3	**Risk Management**	
3.1	Does a scan of the minutes identify any unusual financial activity, projects, events etc.?	No. All projects and events are risk assessed and expenditure minuted accordingly by the Town Council.

No.	Internal Control Tests	Findings
3.2	Do the minutes record the Council carrying out any annual risk assessments? Play areas/skateparks regularity of checks & documentation?	Yes. Bespoke Garden Projects carry out monthly inspections which include all skateparks, play areas, the trim trail and the pump track. These inspections include minor repairs and minor maintenance as required. It is noted where repair work is required, an inspection report is produced and a quotation is provided for the work to be carried out by the inspection company which is approved under delegated authority by either the Head Groundsman or the Deputy Town Clerk as required. One member of the Grounds team has a play inspection qualification and undertakes daily visual inspections of the Public Gardens Play Area. The Grounds Team complete twice weekly inspections of all other sites. Training is due to be refreshed in May 2026. The annual play inspections are undertaken by the Play Inspection Company, most recently November 2025.
3.3	Is insurance cover appropriate and adequate? Policy nos. & broker/company? Fidelity Guarantee cover level correct?	Yes. Standard local council policy held with Zurich Insurance dated 1 April 2025 covering to 31 March 2026. Policy number YLL-2720869223. Fidelity Guarantee cover is £1,000,000 and Public Liability is £12m.
3.4	Are internal financial controls documented and reviewed regularly?	Yes. This initial risk assessment for financial systems' internal controls is updated annually – prior to this update, the last update was internally on 10th October 2025.

No.	Internal Control Tests	Findings
3.5	Compliance is maintained with the Local Government Act 2015 (Transparency Code)	Yes. The Town Council has detailed the following on its website to comply with the requirements of the Transparency Code: • All payments over £500 paid to creditors and suppliers are recorded in minutes of the Full Council meeting. • The Town Council management structure and senior salary information. • All information relating to the Annual Return Process to the External Auditor is provided for the past 6 years. • Internal Auditor reports are published from 2019 to 2025. • Risk Management reports are detailed to show the action to be taken to mitigate the threat of risks. • A list of Town Council Policies. • Budget information is published as part of Full Council papers to provide transparency of the financial management of the Town Council. • Details of procurement for the award of work where quotations or tenders are required has been recorded for goods and services with a net value of over £5000. • The Accountability and Governance Annual Return 2024/2025 and Conclusion of Audit notice from the External Auditor. • Agenda of Council and Committee meeting are published three clear days before each meeting • Draft Council and Committee Minutes are published within one month of the meeting and approved at the next meeting and updated accordingly.
3.6	A business continuity plan has been produced to ensure that the Council can operate during unexpected or tragic circumstances.	Yes. This was approved by Full Council on 7th May 2025 (minute 188)
4	**Budgetary Controls**	
4.1	Has the Council prepared an annual budget in support of its precept? Council minute & date?	Yes. Budget workshop was held on 19th November 2025 and the budget and precept approved at Full Council on 10th December 2025 (minute reference 89). The precept request was sent to EHDC by the deadline.
4.2	Is actual expenditure against the budget regularly reported to the Council & minuted?	Yes. Budget to actual comparisons are reviewed by officers and reported to the Council at Full Council meetings.

No.	Internal Control Tests	Findings
4.3	Are there any significant and unexplained variances on budget?	No. A process is in place to carry out budget monitoring and to report significant variations to the Council.
5	**Income Controls**	
5.1	Is income properly recorded and promptly banked?	Yes. Income sources from the Sports Pitches, Assembly Rooms, Pavilion, Clubs Rents, Domestic Rents for Dwellings, Allotments, Grant Payments, VAT refunds, Precept payments are received twice yearly direct into the Unity Trust Account. Fees and Charges were agreed and approved by Full Council on 10th December 2025 (Minute 89 refers). Allotments on 28th January 2026 (minute 114). A comprehensive list of tenancies held by the Town Council has been reviewed by the Assistant to the Town Clerk to ensure all are appropriate and up to date. **PWLB Loan May 2019**: The Town Council use the PWLB loan of £205,000, borrowing term 30 years, to pay for the purchase of the freehold property known as the former Bartlett and Butchers shop, Vicarage Hill, Alton for the provision of the community youth facility. **Town Council Offices:** The Assistant to the Clerk summarises the information from cash and cheques received by the Town Council and these are matched to invoices raised by the Town Council and paid in against income codes in the financial system. All cash and cheques are retained securely. A Sum Up machine is used to process card payments received in the Town Hall Offices and this paid directly into the Unity Trust current account. It is confirmed with the Assistant to the Clerk that all cash received by the Town Council is taken to the Post Office at regular intervals and sent through Girobank to be deposited into the Unity Trust Bank account.
5.2	Does the precept recorded in the cashbook agree with the District Council's notification?	Yes. The first half Precept for 2025/26 was paid on 28th April 2025 for £500,000 direct into the Unity Trust Bank Current Account with the second tranche of £390,180 paid on 29th September 2025.
5.3	Are security controls adequate and effective?	Yes. Cash received at the Town Council Offices is kept securely awaiting banking by the Assistant to the Town Clerk at regular intervals.
6	**Petty Cash Procedures**	

No.	***Internal Control Tests***	***Findings***
6.1	Is all petty cash spent noted in book/sheets with receipt to support, esp. those with VAT? Impress basis used?	Yes. The Town Council office holds a £300 cash withdrawal limit for petty cash. A Petty Cash book records the transactions and receipts to agree the amount of petty cash reimbursed. The Petty Cash is reconciled monthly by the Assistant to the Town Clerk and checked by the Deputy Town Clerk.
6.2	Is petty cash reported to each Council meeting?	Yes, monthly reports on expenditure prepared for Full Council for approval.
6.3	Is petty cash reimbursement carried out regularly?	Yes.
7	**Payroll Controls**	
7.1	Do staff salaries/wages paid agree with those approved by the Council & what is review frequency?	Yes. All permanent members of Town Council staff are paid on National Joint Council (NJC) for Local Government pay scales; permanent members of staff will be placed on a scale point. Any annual cost of living uplift is in line with the national pay award negotiations.
7.2	Are other expenses to the Clerk/staff reasonable and approved by the Council?	Yes. The payment of mileage will be paid where applicable for Town Council business (including training) in line with the NJC Local Government Green Book and these are submitted on claim forms and are not paid through the payroll system. They are authorised by the Town Clerk under delegated authority. The Town Clerk's claims are shared with the chair of the Staffing Committee.
7.3	Have PAYE/NIC/ Pensions been properly operated by Council as an employer? Payment frequencies / method?	Yes. The Assistant to the Clerk will calculate the direct debit value monthly for HMRC covering PAYE and NI Contributions where appropriate. She will also make payments to the Hampshire Pension Fund for those staff who have not opted out of the Pension. The Town Council has ensured that the requirements for Pension Auto Enrolment have been considered to allow all eligible staff to "opt out" of the Local Government Pension scheme.
8	**Assets Controls**	
8.1	Does Council keep an asset register of all assets owned incl. serial nos.? Annual physical check noted?	Yes. The asset register is maintained in the RBS system. Dates for checks have been added to RBS.
8.2	Are the Asset/Investments registers up to date, incl. disposals? Note all Investments held with a/c nos.	Yes, the asset register does show all the current asset items and it is clear the last time that the register was updated. The Asset register was presented and approved by Full Council on 5th March 2025.
8.3	Do asset insurance valuations agree with those in the Asset Register?	Yes, Asset Register shows insured values.
9	**Bank Reconciliation**	

No.	***Internal Control Tests***	***Findings***
9.1	Is there a Bank reconciliation for each account held? Note each A/c with bank/branch & a/c no. If relevant, review Money Market transfers & documentation.	Yes, Unity Bank Current Account Number 20302775. The Town Council also holds accounts with CCLA for deposits (PS3078535-001) and the Property Fund LA3077669-001). The funds held in each account are in line with the Town Council investment policy. The Town Council also has a credit card with a daily limit of £1,000 and a monthly limit of £5,000; this is reconciled and presented for approval along with the other accounts to Full Council.
9.2	Are Bank reconciliations conducted on receipt of statements & with what frequency?	Yes. The current bank account is reconciled and presented to Full Council monthly to ensure that the bank account transactions are accurate.
9.3	Are there any unexplained balancing entries in any reconciliation?	No, there are no unexplained entries recorded in the cash book.
10	**Year-end Procedures**	
10.1	Are Year-end, final accounts prepared on a Receipts and Payments or Income and Expenditure basis?	Final Accounts are prepared on an Income & Expenditure basis.
10.2	Do the accounts agree with the cashbook codings?	Yes, RBS Rialtas Omega Final year-end Trial Balance to confirm that entries made in cashbook are accurate & agree to Bank account. End of year 2025/26 balances confirm that entries made in the cash book are accurate and agree to all bank accounts held by the Town Council.
10.3	Is there an audit trail from underlying financial records to the accounts, for both receipts & payments?	Yes, an audit trail exists for payment vouchers which is stamped with date received/ date paid/ coding/ method of payment with cross-referencing by cheque numbers or BACS number. For receipts, a summary analysis spreadsheet is kept monthly which shows the date received, cash or cheque payment, and invoice number. Banking is shown with the Paying In Slip number and banking date.
10.4	Where appropriate, have debtors and creditors been properly recorded? Are the year-end, General and Earmarked reserves held at reasonable levels?	Yes. Debtors, creditors & accruals are all accounted for in the Balance Sheet, which denotes general and earmarked reserves held in accordance with the Town Council Reserves Strategy