Internal Controls Pack

Controls matrix, walkthroughs, testing & remediation

Version	1.0
Owner	[CFO / Controller]
Last updated	[YYYY-MM-DD]

Sheets in this workbook

1. Cover	This page – metadata and instructions
2. Instructions	How to use the pack and colour conventions
3. Risk Register	Top financial reporting risks
4. Controls Matrix	Risks → controls mapping (O2C, P2P, Payroll, Close, ITGC)
5. Walkthrough Log	Process walkthrough notes per cycle
6. Test Plan	Sampling, frequency and tester
7. Test Results	Pass/Fail + evidence reference
8. Findings & Remediation	Observations, owners, due dates, status
9. RACI	Roles and responsibilities

use this workbook

the Risk Register – list the top financial reporting risks for your business.
Controls Matrix – for each risk, document the mitigating control(s).
rough Log – document the process and confirm controls operate as designed.
an – decide on frequency, sample size and tester for each key control.
esults – record pass/fail with evidence reference.
s & Remediation – log issues, assign owner and due date, track to closure.

conventions

= hardcoded inputs you fill in
= formulas or static labels
ckground = key fields needing attention
ckground = pass / completed
ground = fail / overdue

Risk ID	Process	Risk description	Risk category	Inherent likelihood (1-5)	Inherent impact (1-5)	Inherent score	Risk owner
R-01	Order-to-Cash	Revenue recognised in wrong period	Financial reporting	3	4	12	Controller
R-02	Order-to-Cash	Sales to customers without credit approval	Credit / liquidity	3	3	9	AR Manager
R-03	Purchase-to-Pay	Unauthorised purchases / duplicate payments	Fraud / accuracy	3	4	12	AP Manager
R-04	Payroll	Incorrect salary or unauthorised changes to master data	Accuracy / fraud	2	4	8	HR / Payroll
R-05	Close	Material journals posted without review	Financial reporting	3	5	15	Controller
R-06	Close	Balance sheet accounts not reconciled	Accuracy	4	4	16	Controller
R-07	ITGC	Inappropriate access to ERP / ledger	Security / fraud	3	4	12	IT / CFO
R-08	ITGC	Changes to ERP without testing or approval	Operational	2	4	8	IT
R-09	Treasury	Unauthorised bank payments	Fraud	2	5	10	CFO
R-10	Tax/VAT	Incorrect VAT treatment / late filing	Compliance	3	3	9	Controller

Internal Controls Framework

Version 1.0 · Owner: [CFO / Controller] · Last updated: [YYYY-MM-DD]

This framework describes how the company designs, operates and monitors internal controls over financial reporting (ICFR). It is built on the COSO 2013 framework, scaled for small and mid-sized businesses.

1. Purpose

The purpose of this framework is to provide reasonable assurance regarding:

- Reliability of financial reporting (internal and external)
- Effectiveness and efficiency of operations
- Compliance with applicable laws and regulations
- Safeguarding of assets against fraud and error

2. Scope

This framework covers the following financial reporting cycles:

- Order-to-Cash (O2C)
- Purchase-to-Pay (P2P)
- Payroll & HR master data
- Period-end close, journals and reporting
- Treasury, bank and payments
- Tax & VAT
- IT General Controls (logical access, change management, operations)

3. Governance and roles

Role	Responsibility
Board / Audit committee	Oversight of the control environment; reviews quarterly status.
CFO	Owns the framework; signs off risk register and key control results.
Controller	Maintains controls matrix, runs walkthroughs, performs/coordinates testing.
Process owners (AP/AR, HR, IT)	Operate the controls within their cycle.
Internal audit (if any)	Independent re-performance of selected key controls.

Internal Controls Pack

User Guide & Framework

This guide explains how to use the Internal Controls Pack to design, document and test a robust internal control environment over financial reporting (ICFR) in a small or mid-sized company. It is based on the COSO 2013 framework adapted for SMEs.

1. What's in the pack

• **Internal_Controls_Matrix.xlsx** — risk register, controls matrix, walkthrough log, test plan, results and findings.

• **Internal_Controls_Framework.docx** — editable framework document covering scope, governance, roles and methodology.

• **Internal_Controls_User_Guide.pdf** — this document.

2. Scope and approach

Cover the financial reporting cycles that matter to your business — typically Order-to-Cash (O2C), Purchase-to-Pay (P2P), Payroll, Close & Reporting, Treasury, Tax/VAT and IT General Controls (ITGC). For each cycle: (1) identify risks of material misstatement; (2) document mitigating controls; (3) walk the process end-to-end; (4) test that controls operate as designed; (5) remediate findings.

3. Five COSO components (in plain English)

Component	What it means
Control Environment	Tone at the top, ethics, organisation, competence.
Risk Assessment	Identify what can go wrong in financial reporting and assess likelihood × impact.
Control Activities	Preventive and detective controls embedded in the processes.
Information & Communication	Quality of data and how results are communicated up and down.
Monitoring	Ongoing and periodic reviews — including internal audit and management self-assessment.

4. Step-by-step workflow

Step 1 – Risk Register. Open the Excel file, go to *Risk Register*. Replace the sample risks with risks that matter for your business. Score likelihood and impact 1–5; the workbook calculates inherent score automatically.

Step 2 – Controls Matrix. For each risk, document at least one mitigating control. Mark whether it is preventive or detective, manual or automated, and whether it is a *key* control (the one you'd test).

Step 3 – Walkthrough. For each cycle, walk one transaction from start to finish with the process owner. Confirm controls actually operate. Log gaps in the *Walkthrough Log*.

Step 4 – Test Plan. Decide sampling and frequency for each key control. Typical samples: 25 items quarterly for high-frequency controls, 100% for low-frequency.