

Internal Control	Suggested testing	Actual Control and Evaluation
A. Appropriate accounting records have been kept throughout the year. <u>AND</u> I. Periodic bank reconciliations were properly carried out during the year.	Ensure the correct roll forward of the prior year cash book balances to the new financial year.	Correct
	Check a sample of financial transactions in cashbooks to bank statements.	Samples checked.
	Is a bank reconciliation carried out regularly and in a timely fashion? Is it scrutinised and signed off by members?	Monthly reconciliations with finance committee.
	Where the authority has bank balances in excess of £100k it has appropriate investment strategy. Is the value of investments held summarised on the reconciliation?	There is a reserves policy but no investment. Is it worth considering an investment strategy?
	Verify the accuracy of the year-end bank reconciliation detail and ensure accurate disclosure of the combined cash and bank balances in the AGAR, Section 2, Line 8.	Bank statement and reconciliation match.
	Councillor Checks – it is recommended that one or more councillors should undertake routine checks (financial statements and accounting records) to ensure account books are being kept properly. Advise that at least one member undertakes the task, on a regular basis, for at least a period of 6 months to ensure continuity.	Included in the risk assessment – two councillors to undertake regular reviews.
B. The authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and, VAT was appropriately accounted for.	Where debit/credit cards are in use, establish the total monthly and individual transaction limits and ensure appropriate controls over physical security and usage of the cards are in place.	N/A
	Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments.	3 stage process – clerk to set up. 2 councillors to authorise and then payments made by BACS.
	Has a Responsible finance officer been appointed with specific duties?	Executive officer is also the RFO and it is stated in the contract.
	Review the procedures in place for acquisition of formal tenders and quotes,	Both SO and FR state contracts estimated to exceed £60k council will advertise open invitation for tenders taking into account

	ensuring they are in line with the SOs and FRs which should be based on the latest version.	legislative requirements of publications of notices which is set at £30k.
	Ensure that consistent values are in place for the acquisition of formal tenders between SOs and FRs (frequently different limits are recorded in the two documents)	
	Review the procedures for receipt of invoices, agreement of invoice detail and confirmation of goods /services delivery and approval for payment. Ideally, a suitably designed certification stamp should be in place providing evidencing of these checks and payment authorisations.	Invoices stamped and signed by 2 councillors.
	Has VAT on payments been identified, recorded and reclaimed?	£53919.66 claimed and correct in accounts.
C. The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Ensure that authority has prepared and formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc.	Correct and reviewed Jan 2025
	Ensure that appropriate levels of insurance cover are in place for land, buildings, public, employers' and hirers' (where applicable) liability, fidelity / employees (including councillors) liability, business interruption and cyber security	Insurance level covers assets. Replacement costs £1404735 – insurance £1534832. Cyber security in place. Fidelity and employers liability in place.
	Review the effectiveness of internal control carried out by the authority.	Members of NALC, clerks are members of SLCC. Risk assessments in place. Standing orders and F regs reviewed annually.
	Undertake a risk assessment on the internal auditor.	To undertake every 3 years.
	Ensure that appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches: such reviews should be undertaken by appropriately qualified external inspectors or, if by officers or members, that they have received the appropriate training and accreditation.	Play area lease being transferred from NCC to Ashington. NCC undertake play inspections

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D. The Precept or rates requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored; and reserves are appropriate.	Ensure that the full Authority, not a committee, has considered, approved and adopted the annual precept in accordance with the required parent Authority timetable	Full meeting on 28 th January 2025 min ref: FC24/100 £958,605
	Ensure that budget reports are prepared and submitted to Authority / Committees periodically during the year with appropriate commentary on any significant variances	Monthly reviews with finance committee.
	Review the budget performance either during the year or at the financial year-end seeking explanations for any significant or unanticipated variances	Budget summary includes explanations for variances.
	Ensure that the authority has considered the establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process.	Ear marked reserves of £65 000 approved in January meeting. £175,000 general contingency.
	Councils with t/o > £200k should plan for 3 months expenditure in general reserves. Council with t/o <£200k should hold between 3 and 12 months expenditure in general reserves	3 months of expenditure is £248,186. External auditors advice for max reserves is 15% of precept or payments – whichever is the higher. Figure is £1034943.
E. Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.	Ensure that the precept received in the accounts matches the prior year submission form to the relevant authority and the public record of precepted amounts.	Correct
	Review 'Aged Debtors' listing to ensure appropriate follow up action is in place.	Main debtor is VAT.
	Allotments: ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained identifying, that debtors are monitored.	Agreements in place. Sum up card used for allotment payments
	Burials	N/A
	Hall hire:	N/A

	Where amounts are receivable on set dates during the year, ensure that an appropriate control record is maintained duly identifying the date(s) on which income is due and actually received / banked	Sum Up Card in place – Where are the bank charges being recorded? Amount in bank should equal the actual amount charged and then the charge shown in payments. The total amount received then balances off.
	Are security controls over cash and near-cash adequate and effective?	N/A
F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for	A number of Authorities are now running down and closing their petty cash accounts and using debit / credit cards for ad hoc purchases. Consequently, a “Not covered” response is frequently required in this area.	N/A
G. Salaries to employees and allowances to members were paid in accordance with the authority’s approvals, and PAYE and NI requirements were properly applied.	Ensure that, for all staff, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract.	Contracts in place – Executive officer reviewed in Jan.
	Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability. The district or unitary parish remuneration panel determine the amount of councillors’ allowances annually. – Allowances must be declared to HMRC through the payroll (Employment Income Manual (EIM65970)) The chair’s allowance can be determined by the town/parish council if other councillors are not receiving an allowance. If they are, it is determined by the principal authority. Check annual minute reference for approval for allowances to be paid	No members allowances

	Ensure that, for a sample of staff salaries, gross pay due is calculated in accordance with the approved spinal point on the NJC scale or hourly rate, if off-scale, and also with the contracted hours, correct pension, net pay, tax, and NI.	NCC are contracted to undertake the payroll.
	For the test sample of employees, ensure that tax is calculated appropriately.	
	Where software is used, ensure it is up to date.	
	Check the correct treatment of Pension contributions	Pension policies reviewed in January.
	For NI ensure that the correct deduction and employer's contributions are applied.	NCC
H. Asset and investment registers were complete and accurate and properly maintained. This section / assurance should be extended to include loans to or by the authority	Ensure that the Authority is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of VAT and removing any disposed of / no longer serviceable assets.	Correct
	Physically verifying the existence and condition of high value, high risk assets may be appropriate.	
	Ideally, the asset register should identify for each asset the purchase cost and , if practicable, the replacement/insured cost.	
	Additions and disposals should allow tracking from the prior year to the current	
	Are the assets and Investments registers up to date?	Correct
	Land Ownership – land registry title and number included in the asset register.	Play areas with land are registered some allotments are. Asset register to be reviewed to ensure all ownership is recorded.

	Do asset insurance valuations agree with those in the asset register? Ensure that the asset value to be reported in the AGAR at Section 2, Line 9 equates to the prior year reported value, adjusted for the nominal value of any new acquisitions and / or disposals <u>Fixed Asset Investments</u> Ensure that all long-term investments (>12 months) are covered by the Investment Strategy and reported as assets in line 9 of AGAR.	Correct Incorrect figure for 2024 but has been adjusted for 2025 N/A
	<u>Borrowing & Lending</u>	N/A
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.	Whilst IAs are not required to verify the accuracy of detail to be disclosed in the AGAR, this assertion, together with the expectation of most Authorities, effectively requires IAs to ensure that the financial detail reported at Section 2 of the AGAR reflects the detail in the accounting records maintained for the financial year.	Correct
	Ensure that, where annual turnover exceeds £200,000, appropriate records are maintained throughout the year on an Income and Expenditure basis to facilitate budget reporting in that vein	I&E
	Where appropriate, have debtors and creditors been properly recorded?	Correct
K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.		N/A
L. The authority publishes information on a website / web page, and complies with the relevant Transparency Code.	The authority's website should be reviewed ensuring all required documentation is published in accordance with the relevant legislation.	Correct

	- All AGAR information – notice of rights, AGAR, conclusion of audit. - Governance policies (SO, F Regs, RA) - At least 5 years' worth of accounts - At least 5 years' worth of agendas, minutes and working papers for meetings. GDPR - ICO's model; publication scheme - Privacy Notice - Data Protection Policy	Correct From 2015 From 2015 Correct Incl in GDPR policy Correct
	Website Accessibility check - Website meets WCAG2.2AA international accessibility standard - Accessibilitiy statement is published on the website (third party documents do not have to be in an accessible format (eg AGAR).	Used Siteimprove (HMRC recommended checker) showed 7 issues.
	Minutes – are they properly signed and dated by the chair. What is the storing procedure – should not be stored by members.	Minutes signed but not dated with approval date. Clerk will ensure this is actioned moving forward.
	Meetings are called correctly with 3 clear working days and a summons sent to all councillors. Notices on website and notice board.	Correct
M. The authority has, during the previous year, correctly provided for the period for	IAs should acquire / examine a copy of the required "Public Notice" ensuring that it	Correct for 2024

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the exercise of public rights as required by the Accounts and Audit Regulations.	clearly identifies the statutory 30 working day period when the Authority's records are available for public inspection. IAs may also check whether councils have minuted the relevant dates at the same time as approving the AGAR	Minuted FC24/37
N. The authority complied with the publication requirements for the prior year AGAR.	IAs should ensure that the statutory disclosure / publication requirements in relation to the prior year's AGAR have been met as detailed on the front page of the current year's AGAR.	Correct
O. Trust funds (including charitable) - the Council has met its responsibilities as a trustee		N/A
I confirm that I have examined the relevant accounts as presented to me by the Responsible Finance Officer. I hereby state that I am satisfied with Ashington Town Council's conduct of its financial affairs, its accounts procedures and its financial reporting.	<u>Mrs S M Saunders BSc MAAT CiLCA</u> Scotchcoulthard Haltwhistle Northumberland NE49 9NH susan@scotchcoulthard.co.uk Signed: S M Saunders	Date: 14th December 2024 24th February 2025 16th May 2025 29th May 2025