

ASHINGTON TOWN COUNCIL

FINANCIAL YEAR 2021/2022

INTERNAL AUDIT CONTROLS AND TESTS

Internal controls	Audit Tests	Yes/No
Proper bookkeeping	<ul style="list-style-type: none"> • Is the cashbook maintained and up to date? • Is the cashbook arithmetic correct? • Is the cashbook regularly balanced? 	<p>Yes</p> <p>Yes</p> <p>Yes</p>
<p>A] Standing Orders and Financial Regulations and</p> <p>B] Payment Controls</p>	<ul style="list-style-type: none"> • Has the Council formally adopted Standing Orders? • Has the Council formally adopted Financial Regulations? • Has a Responsible Financial Officer been appointed with specified duties? • Have items or services above a de minimis amount been competitively purchased? • Are payments in the cash book supported by invoices, authorised and minuted? • Has VAT on payments (including petty cash payments) been identified, recorded and reclaimed? • Is Section 137 expenditure (Free Resource) separately recorded and within statutory limits? 	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>
Risk Management arrangements	<p>Does a scan of the minutes identify any unusual financial activity?</p> <p>Do the minutes record the Council carrying out an annual risk assessment?</p> <p>Is the insurance cover appropriate and adequate?</p> <p>Are internal financial controls documented and regularly reviewed?</p>	<p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>
Budgetary Controls	<p>Has the Council prepared an annual budget in support of its precept?</p> <p>Is actual expenditure against the budget regularly reported to the Council?</p> <p>Are there any significant unexplained variances from the budget?</p>	<p>Yes</p> <p>Yes</p> <p>No</p>
Income Controls	<p>Is the income properly recorded and promptly banked?</p> <p>Does the precept recorded in the cashbook agree to the County Council's notification?</p> <p>Are security controls over cash adequate and effective?</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>

Petty Cash procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts? Is petty cash expenditure reported to each Council meeting? Is petty cash reimbursement carried out regularly?	No petty cash imprest held
Payroll Controls	Do salaries paid agree with those approved by the Council? Are other payments to the Clerk (and other employees) reasonable and approved by the Council? Has PAYE/NIC been properly operated by the Council as an employer? NB Northumberland County Council acts as payroll agent	Yes Yes Yes
Asset Controls	Does the Council keep an asset register of all material assets?	Yes
Bank Reconciliation	Is there a bank reconciliation for each account? Is bank reconciliation carried out regularly on receipt of statements? Are there any unexplained balancing entries in any reconciliation?	Yes Yes No
Year-end Procedures	Are year-end accounts prepared on the correct accounting basis (receipts and payments / income and expenditure)? Do accounts agree with the cash book? Is there an audit trail underlying financial records to the accounts? Where appropriate, have debtors and creditors been properly recorded?	Yes Yes Yes Yes

Peter Basanth

Internal Auditor

Date: *26 April 2022*