

Internal Control	Suggested test	Response
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? 	Yes
		Yes
		Yes
a) Standing Orders and Financial Regulations b) Payment controls	<ul style="list-style-type: none"> ▪ Has the Council formally adopted standing orders and 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 cashbook supported by invoices, authorised and minuted? ▪ Has VAT on payments been identified, recorded and reclaimed? ▪ Is s137 expenditure separately recorded and within statutory limits? 	Yes
		Yes
		Yes
		Yes
		Yes
		Yes
Risk management arrangements	<ul style="list-style-type: none"> ▪ Does a scan of minutes identify any unusual financial activity? ▪ Do the minutes record the council carrying out an annual risk assessment? ▪ Is insurance cover appropriate and adequate? ▪ Are internal financial controls documented and regularly reviewed? 	No
		Yes
		Yes
		Yes
Budgetary controls	<ul style="list-style-type: none"> ▪ Has the Council prepared an annual budget in support of its precept? ▪ Is actual expenditure against the budget regularly reported to the Council? ▪ Are there any significant unexplained variances from budget? 	Yes
		Yes
		No
Income controls	<ul style="list-style-type: none"> ▪ Is income properly recorded and promptly banked? ▪ Does the precept recorded in the cashbook agree to the District Council's notification? ▪ Are security controls over cash adequate and effective? 	Yes
		Yes
		Yes
Petty cash procedures	<ul style="list-style-type: none"> ▪ 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? 	Yes
		Yes
		Yes
Payroll controls	<ul style="list-style-type: none"> ▪ Do salaries paid agree with those approved by the Council? ▪ Are other payments to the Clerk reasonable and approved by the Council? ▪ Has PAYE/NIC been properly operated by the Council as an employer? 	Yes
		Yes
		Yes
Asset controls	<ul style="list-style-type: none"> ▪ Does the Council keep an asset register of all material assets owned? ▪ Are the Asset/Investments registers up to date? ▪ Do asset insurance valuations agree with those in the asset register? 	Yes
		Yes
		Yes
Bank reconciliation	<ul style="list-style-type: none"> ▪ Is there bank reconciliation for each account? ▪ Is bank reconciliation carried out regularly on the receipt of statements? ▪ Are there any unexplained balancing entries in any reconciliation? 	Yes
		Yes
		Yes
Year end procedures	<ul style="list-style-type: none"> ▪ Are year-end accounts prepared on the correct accounting basis (R&P)? ▪ Do accounts agree with the cash book? ▪ Is there any audit trail from underlying financial records to the accounts? 	Yes
		Yes
		Yes