

NORTHWOOD PARISH COUNCIL

INTERNAL AUDIT CONTROLTESTS

Internal Control	Tests
Proper Book-keeping	Is the cashbook maintained and up to date?
	Is the cashbook arithmetic correct?
	Is the cashbook regularly balanced?
Standing Orders and Financial Regulations	Has the Council formally adopted standing orders and financial regulations?
And Payment Controls	Has the Responsible Financial Officer been appointed with specific duties?
	Have items or services above the de minimus 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
Risk Management Arrangements	Does a review of minutes identify any unusual financial activity?
	Do minutes record the Council carrying out an annual risk assessment?
	Is insurance cover appropriate and adequate?
	Are internal financial controls documented and regularly reviewed?
Budgetary Controls	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?
Income Controls	Is income properly recorded and promptly banked?
	Does the precept recorded agree to the Council Tax authority's notification?
	Are security controls over cash and near-cash adequate and effective?
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?
Payroll Controls	Do all employees have contracts of employment with clear terms and conditions?
	Do salaries paid agree with those approved by the Council?
	Are other payments to employees reasonable and approved by the Council?
	Have PAYE/NIC been properly operated by the Council as an employer?
Assets Controls	Does the Council maintain a register of material assets owned or in its care?
	Are the assets and investments registers up to date?
	Do asset insurance valuations agree with those in the asset register?
Bank Reconciliation	Is there bank reconciliation for each account?
	Is bank reconciliation carried out regularly and in a timely fashion?
	Are there any unexplained balancing entries in any reconciliation?
	Is the value of investments held summarised on the reconciliation?
Year-End Procedures	Are year-end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)
	Do accounts agree with the cashbook?
	Is there an audit trail from underlying financial records to the accounts?
	Where appropriate, have debtors and creditors been properly recorded?

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