

I have carried out the work detailed in the attached audit programme, and there are no matters which I wish to draw to members' attention.

I would like to take this opportunity to thank your clerk for his assistance and patience during the course of the audit.

Richard Slater Internal Auditor

23 April 2013

I certify that I have carried out the tests detailed below in accordance with the suggested approach contained in the 2008 edition of "Governance and Accountability in Local Councils in England and Wales – A Practitioners Guide".

1 Internal Control	2 Tests	3 Yes/No/N/A	4 Comments
Previous Internal Audit Report	Do the minutes record that Council has considered the Internal Audit Report for the previous year and the matters arising addressed?	Yes	
Proper bookkeeping	Is the cashbook maintained and up to date?	Yes	
	Is the cashbook arithmetically correct?	Yes	
	Is the cashbook regularly balanced?	Yes	
Standing Orders and Financial Regulations	Has the Council formally adopted Standing Orders and Financial Regulations?	Yes	
	Has a Responsible Financial Officer been appointed?	Yes	
	Have items or services above a <i>de minimis</i> amount been competitively purchased?	Yes	
	Are payments in the cashbook supported by invoices and have they been authorised and minuted?	Yes	
	Has VAT on payments been identified, recorded and reclaimed?	Yes	
	Is Section 137 expenditure separately recorded and within statutory limits?	N/A	
Risk Management Arrangements	Does a scan of the minutes identify any unusual activity?	No	
	Do the minutes record the Council carrying out an annual risk assessment?	Yes	
	Is insurance cover appropriate and adequate?	Yes	
	Are internal financial controls documented and regularly reviewed?	Yes	
Budgetary Controls	Has the Council prepared an annual budget in support of its precept?	Yes	
	Is actual expenditure against the budget regularly reported to Council?	Yes	
	Are there any significant unexplained variances from budget?	No	

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Income Controls	Is income properly recorded and promptly banked?	Yes	
	Does the precept recorded in the cashbook agree to Northumberland County Council's notification?	Yes	
	Are security controls over cash adequate and effective?	Yes	
Petty Cash Procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	N/A	No petty cash held
	Is petty cash expenditure reported to Council?	N/A	
	Is petty cash reimbursement carried out regularly?	N/A	
Payroll Controls	Do salaries paid agree with those approved by Council?	Yes	
	Are other payments to the Clerk reasonable and approved by Council?	Yes	
Payroll Controls (contd)	Has PAYE/NIC been properly operated by the Council as an employer?	Yes	
Assets Controls	Does the Council keep an Assets Register of all material assets owned?	Yes	
	Is the Register up to date?	Yes	
	Do asset insurance valuations agree with those in the Register?	Yes	
Bank Reconciliation	Is there a bank reconciliation for each bank account?	Yes	
	Is the bank reconciliation carried out regularly on the receipt of statements?	Yes	
	Are there any unexplained balancing entries in any reconciliation?	No	
Year-End Procedures	Are year-end accounts prepared on the correct accounting basis?	Yes	
	Do accounts agree with the cashbook?	Yes	
	Is there an audit trail from underlying financial records to the accounts?	Yes	
	Where appropriate, have debtors and creditors been properly recorded?	Yes	