

PRUDHOE TOWN COUNCIL 2020/2021 AUDIT CHECKLIST

INTERNAL CONTROL	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 Yes Yes</p>
<p>A] Standing Orders and Financial Regulations adopted and applied 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 minimus level been competitively purchased? • Are payments in the cashbook supported by invoiced, authorised and minuted? • Has VAT on payments (including petty cash payments) been identified, recorded and reclaimed? • Is Section 137 expenditure separately recorded and within statutory limits? 	<p>Yes Yes Yes Yes Yes Yes Yes</p>
Risk Management arrangements	<ul style="list-style-type: none"> • Does a scan oof the minutes identify any unusual activities? • Do the minutes record the Council carrying out an annual risk assessment? • Is the insurance cover appropriate and adequate? • Are internal financial controls documented and regularly reviewed via Financial Regulations and Standing Orders? 	<p>No Yes Yes Yes</p>
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 the budget? 	<p>Yes Yes No</p>
Income Controls	<ul style="list-style-type: none"> • Is the income promptly recorded and promptly banked? • Does the precept recorded in the cashbook agree to the County Council's notification? • Are security controls over cash adequate and effective/ 	<p>Yes Yes Yes</p>
Petty cash procedures	<p>Is all petty cash spent recorded and supported by VAT invoice/receipts?</p> <p>Is petty cash expenditure reported to each Council meeting?</p>	<p>No petty cash imprest held</p>

Payroll controls	<ul style="list-style-type: none"> • Do salaries paid agree with those approved by the Council? • Are other payments made reasonable and approved by the Council? • Has PAYE/NIC been properly operated by the Council as an employer? 	<p>Yes</p> <p>Yes</p> <p>Yes</p>
Assets Controls	<ul style="list-style-type: none"> • Does the Council maintain an asset register of all material assets owned? 	<p>Yes</p>
Bank Reconciliation	<ul style="list-style-type: none"> • Is there a bank reconciliation for each account? • Are bank reconciliations carried out regularly on receipt of statements? • Are there any unexplained balancing entries in any reconciliation? 	<p>Yes</p> <p>Yes</p> <p>No</p>
Year—end procedures	<ul style="list-style-type: none"> • Are year-end accounts prepared on the correct accounting basis? [receipts & payments/ income & expenditure]? • Do accounts agree with the cashbook? • Is there an audit trail underlying financial records to the accounts? • Where appropriate, have debtors and creditors been properly recorded? 	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>

Peter Basnett

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Internal Auditor

Date: