

**BLYTH TOWN COUNCIL
FINANCIAL YEAR 2023/24**

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 arithmetically correct? • Is the cashbook regularly balanced? 	<p>Yes</p> <p>Yes</p> <p>Yes</p>
<p>Standing Orders and Financial Regulations</p> <p>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 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>Year-End Audit Work</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>No</p> <p>Yes</p> <p>Yes</p>

AGENDA ITEM 6.2

	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 the Council?	Yes
	Are there any significant unexplained variances from the budget?	No
Income Controls	Is the income properly recorded and promptly banked?	Yes
	Does the precept recorded in the cashbook agree to the 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?	Yes
	Is petty cash expenditure reported to Council meetings?	Yes
	Is petty cash reimbursement carried out regularly?	Yes
Payroll Controls	Do salaries paid agree with those approved by the Council?	Yes
	Are other payments to the Town Clerk (and other employees) reasonable and approved by the Council?	Yes
	Has PAYE/NIC been properly operated by the Council as an employer?	Yes
	NB Northumberland County Council acts as payroll agent, providing third party security and additional internal control.	
Asset Controls	Does the Council keep an asset register of all material assets?	Yes

AGENDA ITEM 6.2

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?	Full Year-End Work to be carried out separately on completion of the 2023/24 Annual Governance and Accounts Return (AGAR)

Mike Slaughter
Internal Auditor
Date: 4 October 2023