



	Internal Control Tests	Result	How this is proved
1	Proper Bookkeeping		
1.1	Is the cashbook maintained and up to date?	✓	Bank reconciliation is completed as of this date.
1.2	Is a reputable Accounting Package used?	✓	AdvantEDGE - sector specific software - Displayed on laptop and back ups saved to Cloud. Making Tax Digital compliant.
1.3	Is the cashbook regularly balanced	✓	The Bank reconciliation is carried out weekly, and provided for Councillor review at monthly meetings and at any time upon request.
2a	Standing Orders and Financial Regulations		
2.1	Has the Council formally adopted Standing Orders and Financial Regulations, & dates approved?	✓	Yes - 17 May 2023 - MINUTE NO.s C019/05/23 and C020/05/23
2.2	Has an RFO been appointed with specific duties noted in both contract and Fin. Regs.?	✓	Yes, additional to Proper Officer responsibilities.
2.3	Have items or services above a de minimis amount been competitively purchased?	✓	Yes, 3 quotes are obtained as necessary and where possible.
2b	Payments Controls		
2.4	Are payments in the Cash book supported by invoices, authorised and minuted?	✓	Payable invoices are approved either by: 1 approval of contract by council, and therefore regular payments are authorised by default. 2 delegation to the RFO, via Financial Regulations or Scheme of Delegation 3 by Committees up to a certain value detailed in Terms of References. 4 by Full Council for larger payments. All are minuted by reports which are approved. Councillors can have sight of invoices where GDPR does not prevent disclosure. (e.g. Salary and remuneration)
2.5	Has VAT on payment been checked, recorded and reclaimed? Frequency, & refunds into which A/c?	✓	All VAT calculations are checked automatically by the accounting package upon entry and recorded ready for the VAT returns. All refunds are currently received into the UNITY TRUST current account. VAT Returns are completed monthly.
2.6	Is S.137 expenditure separately recorded and within the limit?	n/a	This is not necessary as the Council has the General Power of Competence.
2.7	Are the bank accounts and funds secure from theft by any member of staff or councillors?	✓	All payments require someone to set them up, and someone to approve them. Only two members of staff can set up payments, but neither of them can approve payments. Only Councillors can approve payments.
2.8	Are sufficient officers and councillors able to view and operate the bank accounts such that during absences the functions of the council are not affected?	✗	Currently only a minimum of Councillors have oversight and this should be remedied as soon as possible. (April 2024)
3	Risk Management arrangements		
3.1	Does a scan of the agendas or minutes identify any unusual financial activity, projects, events etc.	✓	All events and grant awards are agreed and minuted at Full Council meetings.
		✓	Itemised spending is not recorded in the minutes, but detailed financial papers listing each transactional spend are available via a link in both the agenda and the minutes. These show monthly spending and are available on the website.

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3.2	Do the minutes record the Council carrying out any annual risk assessments?	✓	Risk Assessments should be carried out on Council owned property to ensure it is safe for public use. This extends to properties that the Council routinely uses as well. Risk Assessments are reviewed annually in the March Full Council meeting.
3.3	Is insurance cover appropriate and adequate? Policy no.s and broker/company? FG cover level correct?	✓	Policy no. 19580907 with Aviva via James Hallam, expiry 31st March 2024. Public Liability & Employer liability cover = £10 million. F/G cover = £ 750k.
3.4	Are internal financial controls documented and reviewed regularly?	✓	The Chair of the P+R committee checks invoices against the bank statements every quarter.
3.5	Are FOI requests received by more than one person to ensure prompt handling?	✓	Persons making FOI requests are asked to email office@andovertc.co.uk (an inbox that all staff can access).
3.6	Are steps taken to prevent GDPR breaches?	✓	Training is provided to officers, and an annual review of all data held is undertaken.
3.7	Are passwords held securely for access to the bank accounts or other sensitive online applications.	✗	A list of passwords should be documented and held in the office safe. A protocol for access to the passwords in an emergency should be drawn up.
4	Budgetary Controls		
4.1	Has the Council prepared an annual budget in support of its precept? Council minute & Date?	✓	January 24th 2024, minute no. C 193/01/24 and C 194/01/24
4.2	Is actual expenditure against the budget regularly reported to the Council & minuted?	✓	At every Full Council and every P&R Committee meeting.
4.3	Have any significant budget variances been explained ?	✓	All variances are explained.
5	Income Controls		
5.1	Is income properly recorded and promptly banked?	✓	Income is now mainly received by Bank transfer. Any cheques are banked promptly and noted in the paying in books.
5.2	Does the precept recorded in the cash book agree to the Borough Council's notification? Yearly review of scale of fees?	✓	Cash book precept equals the BC notification. All fees are reviewed annually when the Allotments Committee and Policy and Resources Committee discuss the budget.
5.3	Are security controls over cash adequate and effective?	n/a	No Petty Cash is routinely held. Any cash received as income, is recorded in the cashbook against allotment invoices and a receipt issued immediately.
6	Petty Cash Procedures		
6.1	Is all petty cash spent noted in book / sheets with proforma &/or voucher to support, esp. those with VAT?	n/a	No Petty Cash is held.
6.2	Is petty cash reported to each Council meeting?	n/a	-
6.3	Is petty cash reimbursement carried out regularly?	n/a	-
7	Payroll controls		
7.1	Do staff salaries / wages paid agree with those approved by the Council and what is the review frequency?	✓	Salary is as per national scale. Incremental increases are paid in accordance with contractual terms. Net payments to Staff, and payments to HMRC and pension schemes are calculated by an external 3rd party in order to ensure no conflict of interest or possibility for miscalculation.

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7.2	Are other expenses incurred by the Clerk and Staff reasonable and approved by the Council?	✓	All expenses payments are reported to Council for verification in payment schedules.
7.3	Have PAYE/NIC/Pensions been properly operated by Council as an employer? Payment frequencies/method?	✓	All PAYE & NIC are deducted monthly based on 3rd Party Contractor calculations and are paid to HMRC monthly. The HMRC schedule is checked by the RFO for completeness each month. Auditor to check for accuracy.
8	Assets controls		
8.1	Does Council keep an asset register of all assets owned including serial no.s? Annual physical check noted?	✓	Yes - serial no.s are recorded where known.
8.2	Are the Asset/Investment registers up to date including disposals? Note all investments held with A/C no.s.	✓	Asset registers are being updated. No investments are held. All reserves are in Unity Trust Bank
8.3	Do asset insurance valuations agree with those in the asset register?	✗	Some low value assets may not be insured.
8.4	Is there a process for loss of office entry cards to prevent unauthorised access to council property/assets?	✗	If a card is lost, it can be immediately cancelled, however, a formal process should be put in place.
9	Bank reconciliation		
9.1	Is there a bank reconciliation for each account held? Note each A/C with bank/branch & account no.	✓	Unity Trust Bank - Sort code: 60-83-01 A/C: 20334109 A/C: 20334112 Redwood Bank - Sort code: 60-83-83 A/C: 80127221
9.2	Are bank reconciliations conducted regularly & with what frequency.	✓	Bank reconciliations are conducted without finalising every Monday, and finalised at the end of each month.
9.3	Have any balancing entries been explained?	n/a	We do not have any balancing entries.
10	Year End procedures		
10.1	Are year-end final accounts prepared on a Receipts and Payments or Income and Expenditure basis?	n/a	Income & Expenditure basis.
10.2	Do the accounts agree with the cashbook codings?	✓	This is automatically provided by the accounting package.
10.3	Is there an audit trail from underlying financial records to the accounts for both receipts & payments?	✓	Via the electronic payment records. Unity Trust Bank internet transfer records and the Paying in book.
10.4	Where appropriate, have debtors and creditors been properly recorded? Are the year-end general and earmarked reserves held at reasonable levels?	✓	Debtors and creditors are noted at Year End. Reserve levels are reasonable and funds are regularly moved to EMR for future projects when appropriate.

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11 Treasury Management			
11.1	Is the stability of financial institutions regularly monitored?	✗	A process for regularly reviewing the rating of banks holding Council funds will be put in place during 2024.
11.2	Are funds split across multiple banking institutions to spread the risk of loss? (bear in mind limit of £85k FSCS)	✗	Some accounts are held, but it would be better to have a few more.

Signed G Foster



14-Mar-24

Proper Officer and RFO.

Approved by Full Council: 22nd March 2023 / Minute no. FC 170/03/23.