

MUCH HOOLE PARISH COUNCIL TERMS OF REFERENCE FOR INTERNAL AUDITOR

Internal Control	Suggested test	Response
Proper bookkeeping	▪ Is the cashbook maintained and up to date?	YES
	▪ Is the cashbook arithmetic correct?	YES
	▪ Is the cashbook regularly balanced?	YES
a) Standing Orders and Financial Regulations b) Payment controls	▪ Are the transfers of funding to the Village Hall trustees supported by documentation relating to building costs and invoices received?	YES
	▪ Has the Council formally adopted standing orders and financial regulations?	YES
	▪ Has a Responsible Financial Officer been appointed with specified duties?	YES
	▪ Have items or services above a de minimis amount been competitively purchased?	YES
	▪ Are payments in the cashbook supported by invoices, authorised and minuted?	YES
	▪ Has VAT on payments been identified, recorded and reclaimed?	YES
	▪ Is s137 expenditure separately recorded and within statutory limits	YES
	▪ Does a scan of minutes identify any unusual financial activity?	NO
	▪ Has the Council taken adequate steps to manage potential conflicts of interest and ensure funding of the Village hall project is well documented and transparent?	YES
	▪ Do the minutes record the council carrying out an annual risk assessment?	YES
Risk management arrangements	▪ Is insurance cover appropriate and adequate?	YES
	▪ Are internal financial controls documented and regularly reviewed?	YES
	▪ 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, but see "Points to Note" on Internal Audit Report
Budgetary controls	▪ Are there any significant unexplained variances from budget?	NO
	▪ Is income properly recorded and promptly banked?	YES
	▪ Does the precept recorded in the cashbook agree to the District Council's notification?	YES
Income controls	▪ Are security controls over cash adequate and effective?	YES