

**MUCH HOOLE PARISH COUNCIL
TERMS OF REFERENCE FOR INTERNAL AUDITOR**

Internal Control	Suggested test	Response
Petty cash procedures	<ul style="list-style-type: none"> ▪ Is all petty cash spent recorded and supported by VAT invoices/receipts? 	N/A
	<ul style="list-style-type: none"> ▪ Is petty cash expenditure reported to each Council meeting? 	N/A
	<ul style="list-style-type: none"> ▪ Is petty cash reimbursement carried out regularly? 	N/A
Payroll controls	<ul style="list-style-type: none"> ▪ Do salaries paid agree with those approved by the Council? 	YES
	<ul style="list-style-type: none"> ▪ Are other payments to the Clerk reasonable and approved by the Council? 	YES
	<ul style="list-style-type: none"> ▪ Has PAYE/NIC been properly operated by the Council as an employer? 	YES
	<ul style="list-style-type: none"> ▪ Does the Council keep an asset register of all material assets owned? 	YES
Asset controls	<ul style="list-style-type: none"> ▪ Are the Asset/Investments registers up to date? 	YES
	<ul style="list-style-type: none"> ▪ Do asset insurance valuations agree with those in the asset register? 	YES
Bank reconciliation	<ul style="list-style-type: none"> ▪ Is there bank reconciliation for each amount? 	YES
	<ul style="list-style-type: none"> ▪ Is bank reconciliation carried out regularly on the receipt of statements? 	YES, but see "Points to Note" on Internal Audit Report
	<ul style="list-style-type: none"> ▪ Are there any unexplained balancing entries in any reconciliation? 	NO
	<ul style="list-style-type: none"> ▪ Are year-end accounts prepared on the correct accounting basis? 	YES
Year-end procedures	<ul style="list-style-type: none"> ▪ Do accounts agree with the cash book? 	YES
	<ul style="list-style-type: none"> ▪ Is there any audit trail from underlying financial records to the accounts? 	YES

AUDITOR NAME: IAN EDWARDS

SIGNATURE: 

DATE: 11th MAY 2022