

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

Internal Control	Suggested test	Response
Proper bookkeeping	<ul style="list-style-type: none"> ▪ Is the cashbook maintained and up to date? 	YES
	<ul style="list-style-type: none"> ▪ Is the cashbook arithmetic correct? 	YES
	<ul style="list-style-type: none"> ▪ Is the cashbook regularly balanced? 	YES
a) Standing Orders and Financial Regulations b) Payment controls	<ul style="list-style-type: none"> ▪ Are the transfers of funding to the Village Hall trustees supported by documentation relating to building costs and invoices received? 	YES
	<ul style="list-style-type: none"> ▪ Has the Council formally adopted standing orders and financial regulations? 	YES
	<ul style="list-style-type: none"> ▪ Has a Responsible Financial Officer been appointed with specified duties? 	YES
	<ul style="list-style-type: none"> ▪ Have items or services above a de minimis amount been competitively purchased? 	YES
	<ul style="list-style-type: none"> ▪ Are payments in the cashbook supported by invoices, authorised and minuted? 	YES
	<ul style="list-style-type: none"> ▪ Has VAT on payments been identified, recorded and reclaimed? 	YES
	<ul style="list-style-type: none"> ▪ Is s137 expenditure separately recorded and within statutory limits 	YES
	<ul style="list-style-type: none"> ▪ Does a scan of minutes identify any unusual financial activity? 	NO
	<ul style="list-style-type: none"> ▪ 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
	<ul style="list-style-type: none"> ▪ Do the minutes record the council carrying out an annual risk assessment? 	YES
Risk management arrangements	<ul style="list-style-type: none"> ▪ Is insurance cover appropriate and adequate? 	YES
	<ul style="list-style-type: none"> ▪ Are internal financial controls documented and regularly reviewed? 	YES
	<ul style="list-style-type: none"> ▪ Has the Council prepared an annual budget in support of its precept? 	YES
Budgetary controls	<ul style="list-style-type: none"> ▪ Is actual expenditure against the budget regularly reported to the Council? 	YES
	<ul style="list-style-type: none"> ▪ Are there any significant unexplained variances from budget? 	NO
Income controls	<ul style="list-style-type: none"> ▪ Is income properly recorded and promptly banked? 	YES
	<ul style="list-style-type: none"> ▪ Does the precept recorded in the cashbook agree to the District Council's notification? 	YES
	<ul style="list-style-type: none"> ▪ Are security controls over cash adequate and effective? 	YES