

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

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

**AUDITOR NAME: IAN EDWARDS**

**SIGNATURE:**



**DATE: 26<sup>th</sup> MAY 2021**