

INTERNAL AUDIT BRIEF (Policy No 7)

The Internal Auditor will carry out tests to ensure that systems in use by the Council are adequate and properly maintained S/he will report to the Council once each year, after 31 March, but before the AGM in May, to enable the Statement of Accounts to be presented to the External Auditor by the end of June.

The tests will cover the following:

- 1. Book-keeping**
 - a. Is the cashbook up-to-date?
 - b. Is the cashbook regularly balanced and checked against bank records?
- 2. Standing Orders, Financial Regulations and Payment Controls**
 - a. Has the Council formally adopted Standings Orders and Financial Regulations?
 - b. Has a Responsible Financial Officer been appointed with Specified duties?
 - c. Have regulations on purchasing procedures been adhered to?
 - d. Has VAT been separately recorded and claimed?
- 3. Risk Management**
 - a. Do the minutes show any unusual financial activity?
 - b. Do the minutes record the Council carrying out an annual Risk Assessment?
 - c. Is insurance cover appropriate and adequate?
 - d. Are internal controls in place and regularly reviewed?
- 4. Budgetary Controls**
 - a. Has the Council prepared an annual budget in support of its Precept?
 - b. Is expenditure against budget regularly reviewed and reported to the Council?
 - c. Are there any significant departures from the budget?
- 5. Income Controls**
 - a. Is income promptly banked and properly recorded?
 - b. Does the Precept in the cashbook agree with Wiltshire Council's notification?
 - c. Is any cash received securely handled?
- 6. Payroll Controls**
 - a. Do salaries paid agree with those approved by the Council?
 - b. Are other payments to the Clerk reasonable and approved by the Council?
 - c. Has PAYE/NI been properly operated, if appropriate?
- 7. Assets Controls**
 - a. Is the Assets Register up-to-date?
 - b. Do insurance values agree with those on the Assets Register?
- 8. Bank Reconciliation**
 - a. Is a bank reconciliation carried-out regularly?
 - b. Are there any unexplained entries in reconciliations?
- 9. Year-end Procedures**
 - a. Are year-end accounts prepared in agreement with the cashbook?
 - b. Is there an audit trail from underlying financial records to the accounts?
 - c. Have any debtors/creditors been properly recorded?