Kirkbymoorside Town Council

INTERNAL AUDIT

TERMS OF REFERENCE

Instructions to Internal Auditor

The internal audit should show that the independent internal auditor has thoroughly undertaken the following checks.

1. The Annual Return

- Is there a numbered minute showing that council has formally approved the end of year accounts?
- Does that minute accord with the information given in section 1 of the Annual Return?
- Has the Council given members of the public opportunity to inspect and raise questions on the accounts?
- Has the Council approved the Annual Return by the specified date (31 August in 2007)?
- Have significant variances in the Annual Return (Section 1) figures been explained?
- Was the Asset register up to date and did the total concur with the figure entered in Section 1, Box 9 of the Annual Report?

2. Budgetary process and control

- Is there an adequate process for determining and approving the budget?
- Is there a minute recording the precept decision?
- Is progress against the budget regularly monitored?
- Are reserves appropriate?

3. Risk assessment

- Has the Council assessed the significant risks to achieving its objectives?
- What evidence is there that the assessment is followed? (e.g: has the Council taken out adequate insurance to account for its financial and other activities? E.g: has the Council adopted financial regulations and a standing order to manage contracts for goods and services and adhered to them?)

5. Accounting

- Have appropriate records of account been properly kept?
- Is there a separate column in the cash book for VAT?
- Is there a separate column in the cash book for Section 137 payments?
- Is VAT correct in the cash book, linked to invoices and has been reclaimed?
- Is the cash book reconciled with invoices?
- Are bank reconciliations provided regularly?
- Bank statements reconciled to cash book and all bank statements are present?
- Are all payments listed in minutes?
- Are tax and National Insurance requirements properly applied?

6. Lawfulness of decision making

- Has council acted lawfully in its decision making and not exceeded its powers?

7. Internal Control

- Has the Council reviewed the scope of Councillors' Audit?
- Has the Council reviewed its fidelity insurance, making sure it is adequate in comparison to council funds and the precept?
- Has the Council reviewed financial regulations including the Council's standing order for goods and services?
- Has the Council reviewed its financial risk assessment?
- Is the Council receiving adequate and regular financial information from the Responsible Financial Officer to keep it sufficiently updated?

8. Improvements

Has the council carried out any improvements recommended (highlighted) by the Internal auditor.

9. Auditor

To provide the council with a written report following completion of the exercise within 10 working days.