

“Those who are responsible for the conduct of public business and for spending public money are accountable for ensuring that public business is conducted in accordance with the law and applicable proper practices. They must also ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.”
from Governance and Accountability for Smaller Authorities in England

Internal Audit Schedule

to establish area of work to be covered by independent internal auditor

Name of Council:		Name of Clerk	
No of councillors		Name of RFO <i>if different</i>	
Quorum		Precept	
Electorate		Gross budgeted income	

	Area of inspection	Yes	No	Comments
1	Book Keeping			
1.1	Ledger maintained and up to date?			
1.2	Arithmetic correct?			
1.3	Evidence of Internal Control?			
1.4	VAT evidence, recording and reclaimed?			
1.5	Payments in ledger supported by invoices, authorised and minuted? (see schedule, p3)			
1.6	S137 separately recorded and within limits?			
1.7	S137 expenditure of direct benefit to electorate?			
2	Due Process			
2.1	Standing Orders adopted since 2012?			
2.2	Standing Orders reviewed at annual meeting?			
2.3	Financial Regulations adopted?			
2.4	FRs properly tailored to council?			
2.5	Equal Opportunities policy adopted?			
2.6	RFO appointed?			
2.7	List of member interests held?			
2.8	Agendas signed, informative and displayed with 3 clear days notice			
2.9	Purchase orders raised for all expenditure?			
2.10	Purchasing authority defined in FRs?			
2.11	Legal powers identified in minutes and/or cashbook?			
2.12	Committee terms of reference exist and have been reviewed?			
2.13	Conformity to Transparency Code?			

	3. Risk Management			
3.1	Does scan of minutes reveal any unusual activity?			
3.2.	Annual risk assessment carried out?			
3.3	Insurance cover appropriate and adequate?			
3.4	Evidence of annual insurance review?			
3.5.	Internal financial controls documented and evidenced?			
3.6	Minutes initialled, each page identified and overall signed?			
3.7	Regular reporting and minuting of bank balance?			
3.8	S137 expenditure minuted?			
	4. Budget			
4.1	Annual budget to support precept?			
4.2	Has budget been discussed and adopted by council?			
4.3	Any reserves earmarked?			
4.4	Any unexplained variances from budget?			
4.5	Precept demand correctly minuted?			
	5. Payroll – Clerk & others			
5.1	Contract of employment?			
5.2	Tax code issued?			
5.3	HMRC PAYE / NI evidence?			
5.4	Has council approved salary paid?			
5.5	Other payments reasonable and approved by council?			
5.6	Does council have Employer's liability insurance cover?			
5.7	Compliance with minimum wage requirements?			
5.8	Grievance and disciplinary procedure in place?			
	6. Asset Control			
6.1	Does council keep a register of all material assets owned?			
6.2	Is asset register up to date?			
6.3	Value of individual assets included?			
6.4	Inspected for risk and up to date inspection records exist			
6.5	Record of deeds, articles and land register references available?			
	7. Bank Reconciliations			
7.1	Is there a bank reconciliation for each account?			
7.2	Reconciliation carried out on receipt of bank statement?			
7.3	Any unexplained balancing entries in any reconciliation?			

	8. Year End Procedures			
8.1	Year end accounts prepared on correct accounting basis?			
8.2	Bank statements and ledger reconcile?			
8.3	Underlying financial trail from records to presented accounts?			
8.4	Where appropriate, debtors and creditors properly recorded?			
8.5	Has council agreed, signed and minuted sections 1 & 2 of the annual return?			
	9. Miscellaneous			
9.1	Have points raised at the last audit been addressed?			
9.2	Has the council adopted a Code of Conduct since July 2012?			
9.3	Is eligibility for General Power of Competence properly evidenced?			
9.4	Are all electronic files backed up?			
9.5	Do arrangements for public inspection of council's records exist?			

Re. 1.5: Schedule of payments: six payments selected at random

Check no.	1	2	3	4	5	6
Ledger date						
Item / Budget heading						
Ref/cheque no						
Order minute ref						
Delivery evidence						
Payment minute ref						
Invoice value						
Minute value						
Cheque/bank payment schedule value						
Statement value						
Timely payment						
VAT recorded						
S137 recorded in ledger						
S137 minuted						
Notes						

