

**BRETHERTON PARISH COUNCIL
TERMS OF REFERENCE FOR INTERNAL AUDITOR**

2017-18 Accounts

Internal Control	Suggested questions	Response
Proper bookkeeping	<ul style="list-style-type: none"> • Is the cashbook maintained and up to date? • Is the cashbook arithmetic correct? • Is the cashbook regularly balanced? • Has the Council formally adopted standing orders and financial regulations? • Has a Responsible Financial Officer been appointed with specified duties? • Have items or services above a de minimis amount been competitively purchased? • Are payments in the cashbook supported by invoices, authorised and minuted? • Has VAT on payments been identified, recorded and reclaimed? • Is s137 expenditure separately recorded and within statutory limits • Does a scan of minutes identify any unusual financial activity? • Do the minutes record the council carrying out an annual risk assessment? • Is insurance cover appropriate and adequate? • Are internal financial controls documented and regularly reviewed? • Has the Council prepared an annual budget in support of its precept? • Is actual expenditure against the budget regularly reported to the Council? • Are there any significant unexplained variances from budget? • Is income properly recorded and promptly banked? • Does the precept recorded in the cashbook agree to the District Council's notification? • Are security controls over cash adequate and effective? • Is all petty cash spent recorded and supported by VAT invoices/receipts? • Is petty cash expenditure reported to each Council meeting? • Is petty cash reimbursement carried out regularly? 	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes, see full audit report</p> <p>Yes</p> <p>Yes</p> <p>No, see full audit report</p> <p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>N/A, no Petty Cash</p> <p>N/A</p> <p>N/A</p>
<p>a) Standing Orders and Financial Regulations</p> <p>b) Payment controls</p>		
Risk management arrangements		
Budgetary controls		
Income controls		
Petty cash procedures		