

BROADMAYNE PARISH COUNCIL
INTERNAL AUDIT PLAN/CONTROLS 2022–2023

(questions to be considered by the Internal Auditor, and by the Parish Council in undertaking its annual review of internal controls, and throughout the year when considering any financial transactions. The aim is 100% compliance with the internal controls.)

1	BOOK-KEEPING
a	Is the cash book maintained and up to date?
b	Is the cash book arithmetically correct?
c	Is the cash book regularly balanced?
2	PAYMENT CONTROLS
a	Has the Council formally adopted standing orders and financial regulations?
b	Has a Responsible Financial Officer been appointed with specific duties?
c	Have items or services been procured in line with Standing Orders and Financial Regulations?
d	Are the payments in the cash book supported by invoices, authorised and minuted?
e	Are payments in the cash book correctly analysed?
f	Has VAT on payments been identified, recorded and reclaimed?
g	Have there been any large capital contracts?
h	If yes to the above question, have these been correctly administered?
i	Is Section 137 separately recorded and within limits?
3	RISK MANAGEMENT ARRANGEMENTS
a	Do the minutes identify any unusual financial activity?
b	Do the minutes record the Council carrying an annual risk assessment?
c	Do minutes record an annual review of internal audit?
d	Is insurance cover appropriate and adequate?
e	Are internal controls documented and regularly reviewed?
F	Is an internal audit carried out on a regular basis (every four months)?
4	BUDGETARY CONTROLS
a	Has the Council prepared an annual budget in support of the precept?
b	Is actual expenditure against the budget regularly reported to the Council?
c	Are there any significant unexplained variances from budget?
5	INCOME CONTROLS
a	Is income properly recorded and promptly banked?
b	Is all income due to the Council collected?
c	Do rents and other charges agree with those set by the Council, with any exceptions approved by the Council?
d	Does the precept agree with that approved in the previous year's budget?
e	Are the security controls over cash adequate and effective? <i>(As a rule there are no cash transactions)</i>

6	EXPENDITURE CONTROLS
a	Is all occasional spending by the Clerk, Councillors and other authorised persons recorded and supported by VAT invoices/receipts?
b	Is such expenditure reported to the Council?
c	Is reimbursement of expenditure carried out regularly?
7	PAYROLL
a	Does the only employee have a contract of employment with clear terms and conditions?
b	Does the employee's salary agree with that approved by the Council?
c	Are other payments to the employee reasonable, properly supported and approved by the Council?
d	Are all payments and deductions correctly coded and recorded?
e	Has PAYE/NIC been properly operated by the Council as an employer?
f	Has the correct amount of net pay been made to the employee?
8	ASSET CONTROLS
a	Does the Council keep an asset register of all material assets owned?
b	Is the asset register kept up to date?
c	Do asset insurance valuations agree with those in the asset register, taking into account the current market value of the item?
d	Are obsolete items regularly identified and details brought to the Council for a resolution to remove them from the register?
9	BANK RECONCILIATION
a	Is there a bank reconciliation for all accounts?
b	Are bank reconciliations done regularly?
c	Are there any unexplained balancing entries in any reconciliation?
10	YEAR END PROCEDURES
a	Are year end accounts prepared on the correct basis?
b	Do the accounts agree with the cash book?
c	Do the comparative figures agree with last year's statements?
d	Is there an audit trail from the underlying records to the accounts?
e	Where debtors and creditors exist at year end and are carried forward to the next financial year but not included in the financial statements, have they been properly recorded?
f	Are there any obvious errors or inconsistencies in the financial statements?
g	Do the figures on section 1 of the annual return agree with the financial statement?
11	Prior to the March meeting of the Parish Council (at which internal controls are reviewed) has a councillor (a different one each year) been nominated to undertake a detailed examination of the internal controls with the Clerk?