

KESGRAVE TOWN COUNCIL – YEAR ENDING 31 MARCH 2018

Internal Audit Review Checklist – Meeting Standards

Expected Standard	Evidence of Achievement	Yes/No	Areas for development
1. Scope of internal audit	Terms for internal audit were approved by full council on 15 January 2018. Internal audit work takes into account both the council's risk assessment and wider internal control arrangements.	Yes	
2. Independence	Internal audit has direct access to those charged with governance. Reports are made in own name to management. Internal audit does not have any other role within the council.	Yes	
3. Competence	There is no evidence of a failure to carry out internal audit work ethically, with integrity and objectivity.	Yes	
4. Relationships	Respective responsibilities for officers and internal audit are defined in relation to internal control, risk management. The responsibilities of council members are understood; training of members is carried out as necessary.	Yes	To provide all Councillors with a 'welcome Pack' and the opportunity to attend relevant training.
5. Audit Planning and Reporting	The annual internal audit plan properly takes account of all the risks facing the council and has been approved by the council on 15 January 2018.	Yes	

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Internal Audit Plan

The internal auditor will be appointed on an annual basis, and will be tasked to complete the internal audit during May or June of each year. The internal auditor will be expected to provide a written report providing assurance that the council has effective controls over its activities and operating procedures. The internal auditor will be expected to carry out the following checks;

- Cash books, bank statements and account reconciliations are properly completed
- Bank reconciliations are regularly completed, and agree with cash book
- Income and expenditure has the correct supporting documentation, cheque books, paying in books, BACS records, and that there is proper recording in minutes.
- All expenditure is properly authorised (a sample of payments and receipts will be checked)
- Section 137 expenditure is properly accounted for and is noted in minutes.
- VAT is correctly accounted for and reclaimed
- Proper procedures are in place for expenses, including Petty Cash
- Correct payroll procedures are in place
- A proper budget process has been worked through, including precept calculation.
- Risk Assessments are in place and are appropriate for all activities of the council
- Correct Insurance cover is in place and an updated Asset register is held
- Standing orders and financial regulations are in place
- Correct year end procedures are in place
- A review of the council's system of internal audit has been undertaken
- Relevant sections of the annual return are complete

Agreed at Full Town Council MeetingChairman.....

RFO.....Date.....