

LYDD TOWN COUNCIL
INTERNAL AUDIT PLAN 2022-23

BASIC CHECK LIST

a) The Annual Return

- Is there a Minute showing that that the Council has formally approved the end of year accounts?
- Has the Council given members of the public the opportunity to inspect and raise questions on the accounts?
- Has the Council approved the Annual Return by the specified date as set down by the external auditor
- Have significant variances in the Annual Return figures been explained?

b) Year-end controls

- Have year-end accounts been prepared on the correct basis, agreed with the cash book, are supported by an adequate audit trail from underlying records, and debtors and creditors properly recorded?

c) Budgetary process and controls

- Is there an adequate process for determining and approving the budget?
- Is there a minute recording the adoption of the budget/precept?
- Have monies been allocated in the budget to cover contingencies and are these sufficient?
- Have earmarked reserves been allocated and are they at appropriate levels?
- Is progress against the budget regularly monitored and an explanation provided for significant variations?

c) Proper book-keeping

- Have appropriate records of account been properly kept – and are they accurate and up-to-date?

d) Payment controls

- Do Members regularly see a complete list of payees?
- Does all expenditure agree with the budget, Council decisions/authorisation or delegated authorisation?
- Are payments in the cash book supported by invoices?
- Do two councillors sign all cheques for payment?
- Is VAT correct in the cash book, linked to invoices, and been reclaimed?
- Is any S137 expenditure identified separately in the cash book and within the prevailing statutory limit?
- Has the Council acted lawfully in its decision making and not exceeded its powers?

e) Income controls

- Has scheduled income (precept, grants, fee income etc) been fully received, based on correct fees (where relevant), properly recorded and promptly banked?
- Has other income been properly recorded and promptly banked?
- Are security controls over petty cash and 'near cash' (eg vouchers and stamps) adequate and effective?

f) Petty cash procedures

- Are all petty cash payments recorded, supported by receipts and have reimbursements been made?
- Where relevant, has VAT been recorded and reclaimed?

g) Bank reconciliations

- Are all bank statements available?
- Are bank reconciliations carried out regularly?
- Are there any unexplained entries in any reconciliation?

h) Payroll controls

- Do salaries paid agree with the approved pay scales?
- Are tax, National Insurance and pension requirements properly applied?

i) Asset controls

- Is the Assets Register up-to-date?

J) Reviews

- Has the Council reviewed its statement of Internal Control?

k) Improvements

- Has the Council acted on any recommendations made by the internal or external auditor?