

INTERNAL AUDITOR TERMS OF REFERENCE

BACKGROUND & CONTEXT

Local councils have a duty, under the Accounts and Audit Regulations 2015 to maintain an adequate and effective system of internal audit of their accounting records and of their systems of internal control in accordance with the proper practices in relation to internal control.

The Council will re/appoint an internal auditor annually who satisfies the principles of independence and competence. The appointee will receive a letter of appointment which sets out the terms of their appointment. The appointee will be remunerated. The appointment itself and the rate of remuneration will be minuted.

OVERALL PURPOSE OF THE INTERNAL AUDIT

- Generally: to review the Council's accounting procedures and controls and report on their compliance with the Accounts & Audit Regulations 2015
- To test and report (in writing) to the Council on whether its financial controls are adequate and effective, identifying any areas of weakness or concern
- To assist the Council in fulfilling its responsibility to maintain arrangements for the prevention and detection of fraud or error
- To carry out an internal audit exercise as soon as practical after the year end (but no later than the second week of June)
- To suggest areas for improvement
- To complete the Annual Internal Audit Report (part of the Annual Return)

SCOPE OF THE AUDIT

In pursuance of the above the internal auditor shall be guided by the relevant legislation and financial regulations pertaining to the sector, the latest *Guidance & Accountability for Smaller Authorities in England* ('the Practitioner's Guide'), best practice, and the Council's Internal Audit Plan - the content of which shall be agreed by both the internal auditor and the Council annually.

June 2021