

LYDD TOWN COUNCIL INTERNAL AUDITOR TERMS OF REFERENCE

BACKGROUND & CONTEXT

Local councils have a duty, under the Accounts and Audit Regulations 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 internal auditor will carry out their review at least annually and will satisfy the principles of independence from the Council and competence for the role.

The Council will conduct a receive a report from the Internal Auditor and review the effectiveness of its system of internal audit The Council will consider, at an appropriate time, the findings of the review and incorporate them within its relevant financial procedures documentation. The Council will ensure that it updates and adopts Financial Regulations from the NALC model.

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
- 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 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 NALC/SLCC *Practitioner's Guide (England)*, 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.

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