

Internal Audit Working Group Terms of Reference

1. The 'Internal Audit Working Group' membership shall be determined by resolution of the Finance Committee at the first meeting in the new mayoral year with casual vacancies filled during the year as they arise by further resolution.
2. The 'Internal Audit Working Group' shall comprise three members from the Finance Committee and Personnel Committee, with at least one member from each.
3. The quorum for the 'Internal Audit Working Group' will be two members (note 4 below).
4. The Internal Audit Working Group does not have delegated powers to make decisions on behalf of the Finance Committee or the Town Council.
5. The 'Internal Audit Working Group' shall produce a quarterly report to the Finance Committee at its next meeting to include its findings from the audit and recommendations for improvements to the financial stewardship. It is acceptable for the Q4 audit to be delayed due to the external audit process.
6. In carrying out the quarterly audit the working group should make reference to
 - 10% of debit entries
 - 10% of credit entries
 - Full paper trails for the above
 - Evidence of compliance with Financial Regulations in all of the above.
 - Outstanding debts owed to the council
 - Evidence of debit entries being sanctioned.
 - Bank statements agreeing with the closing balance on the financial report (bank reconciliation report).
 - An annual review of the certified asset register and a quarterly review of payment schedules to ensure that any assets purchased within the period are included on the register.
 - Reporting on actions taken on the points raised by the previous report
 - Accounting and financial record keeping where appropriate
 - 1 in 20 checks of completed BACS payments to compare the payment details with the account details on invoices.
 - Complaints
 - Employee leave, absences and flex records
7. The members of 'Internal Audit Working Group' should report any serious matters e.g. suspected maladministration or misappropriation of funds immediately to the Chairman of the Finance Committee who should, in turn, bring the matter to the attention of the Town Mayor.
8. The Terms of Reference for the 'Internal Audit Group' shall be reviewed annually at the first meeting of the Finance Committee in the new mayoral year.
9. That the Internal Audit Working Group report its findings to the Responsible Financial Officer for remedial action as appropriate.