Local Government for Langton Green, Speldhurst,
Ashurst and Old Groombridge

FINANCE AND GOVERNANCE COMMITTEE

INTERNAL AUDIT

TERMS OF REFERENCE

Speldhurst Parish Council (SPC) will appoint an Internal Auditor (IA) who satisfies its requirements for independence and competence. The appointment is to be made annually at the Annual Parish Meeting.

1. The IA will draw up an internal audit plan in conjunction with the Clerk/Responsible Financial Officer (RFO) and the Council.
2. The IA will plan and carry out all work necessary to give the assurances required in the annual return.
3. The IA will carry out a risk assessment to establish the required scope and frequency of testing.

The minimum requirement will include the testing of the following internal controls:

- Proper bookkeeping
- Standing orders and financial regulations adopted and applied
- Payments controls including electronic banking and BACS
- Risk management arrangements
- Budgetary controls
- Income controls
- Petty cash procedures
- Payroll controls
- Bank reconciliation
- Year-end procedures

The minimum required frequency of testing is twice per year.

4. The IA will report to SPC after each examination, including recommendations to SPC for changes and improvements.
5. The Clerk/RFO will make available all necessary resources for the IA to complete his/her work.
6. The IA will keep SPC informed of national developments in risk management and corporate governance.
7. The Terms of Reference will be reviewed in accordance with the schedule of council policies.