

# ARGYLL & BUTE COUNCIL

## Internal Audit Section

### TERMS OF REFERENCE

<b>CUSTOMER DEPARTMENT</b>	Choose an item.
<b>AUDIT DESCRIPTION</b>	
<b>AUDIT TITLE</b>	
<b>AUDIT DATE</b>	

2013/2014





## **1. BACKGROUND**

Contextual information included to outline the purpose/objectives/function of the activity being audited.

Include some key background information around budget, cost levels, income, monetary values, transactions, staff numbers and performance.

This section will give an indication of the scope and scale of the activity being audited.

## **2. RISK**

This section will set out the risks related to the activity. These will fall into several categories:

Strategic risks - To what extent does the activity impact on the risk set out in the strategic risk register and single outcome agreement or corporate plan.

Operational risks - To what extent does the activity impact on the risk set out in operational risk registers and service and team plans/outcomes.

Specific activity risks - Set out any specific risks related to or inherent in the particular activity in question.

Historic risks – Set out issues arising from previous audit activity that suggest there are risk in relation to the activity being audited.

Finish with an overall summary of the key risks.

## **3. AUDIT SCOPE AND OBJECTIVES**

Section 2 above sets out the key risks related to this activity. The purpose of this audit is to provide assurance on the following aspects:

Set out in list format the matters that the Council will be able to have assurance on as a result of this audit. Relate this to the risks in section 2 and the controls in section 4.

#### **4. CONTROLS**

Set out a summary of the main controls that would be expected to be in place to mitigate against the risks in section 2 and to provide the assurance set out in section 3. Explain that these controls will be reviewed and tested as part of the audit.

Indicate that the outcome of reviewing and testing these controls will determine the level of assurance and the extent to which there are effective systems and processes in place to mitigate against the risks set out in section

#### **5. AGREEMENT**

**Head of Service** \_\_\_\_\_

**Auditor** \_\_\_\_\_

**Dated** \_\_\_\_\_