

Presteigne and Norton Town Council
2017/18

Annual Review of Internal Audit Procedures and Appointment of Internal Auditor

The Council is required to carry out an annual review of its internal audit procedures and the appointment of its internal auditor to ensure compliance with the relevant standards and effectiveness.

This review should cover -

- the scope of the internal audit
- the independence of the process and of the Internal Auditor
- the competence of the internal auditor (relevant experience etc.)
- the clarity of the relationship between the Internal Auditor and the Council
- Audit planning and reporting arrangements Governance and Accountability Guide

The internal audit review is considered with reference to the checklist attached, each section of which the Council should confirm as satisfactory.

1. Audit scope: The internal auditor is supplied with the attached list to ensure that relevant aspects are covered. This list is compiled with reference to the 'Governance and Accountability for Local Councils (Wales) A Practitioners Guide'. The Auditor has access to the Clerk and Mayor for information and reporting purposes and reports are received in the name of the Auditor and presented to full Council.

2. Independence: The present auditor, Lee Stephens lives and works in Newtown. He has no connections to the Council and is not related to or a close personal friend of either the Clerk or any Council Member. He works to the schedule agreed under 1 above. He has been the Internal Auditor since July 2010. He has no other role on the Council.

3. Competence: Mr. Stephens has worked in Finance for over 10 years with a background in auditing. In 2004 he started as auditor for Laura Ashley, this involved carrying out financial and process audits in their stores, offices and warehouses across the UK. His team in Laura Ashley were also responsible for investigating possible cases of fraud. In 2007 he joined Powys County Council as an Internal Auditor, again this involved completing and assisting in audits of all departments of the Council. In both of the above roles he was involved in auditing financial transactions, purchase orders, bank reconciliations, and tendering processes. In 2011 he became an Account Manager within Whittaker & Co (UK) Ltd based in Newtown. Whittaker & Co are accountants and tax advisors who specialise in managing accounts for clients working abroad in security roles in Afghanistan, Iraq, North Africa and at sea. He carries out internal audits for a number of town and community councils in Powys.

4. Relationship between Auditor and the Council: The Audit report is submitted to the Council prior to the completion of the annual return. Members must note that they are responsible for the assertions in Section 2 of the Annual Return and reminded of the need to ensure that the audit process covers these areas.

5. Planning and Reporting Arrangements: The Audit process is carried out in two sessions, an interim audit in October/November to check accounts and processes to date during the year and a full and final audit at the year end. A report is made to full Council on completion of each session and any recommendations acted upon.

Decisions

1. To consider and confirm the attached document outlining the scope of the internal audit for the 2017/18 year.
2. To consider the independence and qualifications of the Internal Auditor and either re-appoint for the 2017/18 year audit or to commence the process of selecting a new Auditor.
3. To confirm the planning and reporting arrangements for the 2017/18 internal audit.

Supporting Documents:

Council Audit Plan and Actions List, Council Internal Audit Review Checklist.