

Internal Audit Review

Reviewed at meeting on 11.03.2015

The Welsh Assembly Government has issued revised guidance on internal audit. It is a requirement to review the internal audit arrangements each year. The following is an extract from the guidance.

What should the review cover?

176. The starting point for the review should be an assessment against the internal audit standards set out below. This will include as a minimum making an assessment of each of the following:

Standard	Considers
Scope of internal audit	The terms of reference and the extent of the work undertaken by internal audit
Independence	The extent to which the internal auditor is able to carry out the audit without undue influence or conflict of interest
Competence	The ability and experience of the internal auditor to undertake the work
Relationships	The clarity of relationships between the council, the clerk and the internal auditor
Audit planning and reporting	The effectiveness of the audit plan and reporting procedures

1. **Scope of Audit**

The Council has a very low level of exposure to risk as:

- a) it has minimal assets;
- b) a very low level of expenditure.

In these circumstances, it is considered sufficient for an independent person with a suitable financial background to check the statements contained in section 4 of Annual Return for the Wales Audit Office. This should sufficiently cover the points raised in the Yscir Community Council Audit Plan and checklist.

2. **Independence**

The Council has appointed Paul Arthur to be the internal auditor. Mr Arthur used to be the Finance Director of a Housing Organisation in Abergavenny (Melin, now based in Pontypool). He has no other contact with the Council and is not otherwise known to the Clerk.

3. **Competence**

Mr Arthur's experience makes him suitable to complete the internal audit.

4. **Relationships**

The Clerk is responsible for reporting any internal audit recommendations to the Council and for ensuring any action is taken. The Members oversee the work of the Clerk.

5. **Audit Planning and Reporting**

Audit and risk assessments are carried out annually.