

## Internal Audit Plan 2024/25

### Introduction

According to 'Governance and Accountability for Local Councils in Wales – A Practitioners Guide (2019)', the purpose of internal audit is as follows:

*'To review whether the systems of financial and other control are effective.'*

This audit plan sets out how we intend to carry out the review of whether the systems of financial and other control are effective at your council. Our letter of independence can be located at page 4.) of this document.

### What can you expect?

The annual internal audit work is detailed in this plan and comprises one year-end internal audit and the issue of one internal audit report. All Councils receive internal audit reports that detail our audit findings, this is in addition to the internal audit section on the annual return and should be presented to Council annually in order for the Council to agree actions and to address any recommendations.

#### Snapshot of our services

We are a registered firm, fully authorised for audit activity, with the Institute of Chartered Accountants in England and Wales and have implemented arrangements to meet this Institutes' Practice Assurance scheme.

The focus on public sector internal audit has resulted in a substantial client scope extending over 12 counties in England and Wales. The economies of scale associated with a large portfolio of local council internal audits has resulted in competitive fees for a specialist service from highly skilled and experienced staff. This also enables us to identify and share best practice between clients to support continuous improvement

## **Audit Plan**

### **Scope**

Our responsibilities are solely confined to carrying out the internal audit testing as specified by Audit Wales in the Annual Return for Local Councils in Wales.

### **Internal Audits**

One audit is planned after the year-end.

### **Timescale**

The audit will be carried out between April and June. The timescales will be agreed with the Clerk in March.

### **Unplanned Work**

If necessary, work will be varied to include areas where significant weaknesses are identified. No contingency for unplanned work has been included in the plan and each issue will be dealt with as it arises. Examples of unplanned work are:

- Investigations
- Requests from the Council
- Additional work required on planned activities

### **Reporting**

Reports will be provided to the Council after each audit summarising:

- Issues Identified
- Recommendations
- Follow up of previous recommendations

The Internal Audit Plan will be kept under continuous review within the context of achieving overall objectives. Should significant amendments be necessary these will be discussed and reported to the Council at the earliest opportunity.

### **Access to Information, Members and Officers**

We require access to such records and information as is necessary to carry out the required system and transaction testing, and full access to those charged with governance (i.e. members of the council), as required.

**Internal Audit Approach: The internal audit comprises the following:**

- ☐ Checking that books of account have been properly kept throughout the year
- ☐ Checking payment internal controls to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- ☐ Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- ☐ Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- ☐ Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- ☐ Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- ☐ Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- ☐ Checking the accuracy of the asset and investments registers
- ☐ Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- ☐ Year-end review of the financial statements
- ☐ Where the council is sole trustee to a charity, reviewing whether the council has met its responsibilities as a trustee

**Remote internal audits:** In the instance that the internal audit is carried out remotely, we will issue the Council with a list of records to be submitted electronically. Samples will be selected and photos/scans of source documents will be requested to be provided through our secure portal.

November 11th 2024

Dear Clerk

**Re Internal Audit for the year ended 31<sup>st</sup> March 2025**

We can confirm continuing independence in our role as internal auditors for the above financial year **and you can assume this to be the case for future financial years unless we inform you otherwise in writing.**

Yours faithfully

John Henry FCA BFP  
Managing Director