

## **LAVERSTOCK & FORD PARISH COUNCIL**

### **Report for Agenda Item 24.024**

**Subject:** Appointment of Internal Auditor  
**Date:** 16<sup>th</sup> February 2024  
**Author:** Andrew Prince, RFO

---

#### **1. Report Summary.**

- 1.1 This report summarises the requirements for internal audit, the criteria for appointing an internal auditor and the process of conducting the internal audit.

#### **2. Background.**

- 2.1 It is a requirement of the Accounts and Audit Regulations 2015 that the Council undertakes an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.
- 2.2 The Joint Panel on Accountability and Governance (JPAG) in its Practitioners Guide advises on the criteria for appointing an internal auditor and on the conduct of an internal audit.
- 2.3 The Annual Governance Statement that must be approved by the Council as part of its External Audit, asserts that the Council maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.

#### **3. Appointment of Internal Auditor.**

- 3.1 The Practitioners Guide states that the Council must ensure both the independence and competence of the internal audit provider. A recognised method of sourcing an internal audit service is to purchase the service from a specialist internal audit practice with an understanding of the local government legal framework.
- 3.2 IAC Audit & Consultancy Ltd have been providing an internal audit service to this Council since 2015 to the complete satisfaction of both councillors and officers. The company has sent a quotation of £395 plus VAT to provide an internal audit service for a further year. In return for a 3-year appointment they have offered a 5% discount on this fee. The quotation is attached at Annex A and includes a Pre-Qualification Statement and a summary of Audit Methodology.

#### **4. Recommendation.**

- 4.1 That the Council appoint IAC Audit & Consultancy Ltd to provide an internal audit service for a period of 3 years from 1<sup>st</sup> February 2024.

## Annex A – Quotation for Internal Audit Service



The Clerk  
Laverstock & Ford Parish Council  
3 Pilgrims Way  
Laverstock  
Salisbury  
SP1 1RZ

01-Feb-24

### Quotation for Internal Audit Services

Many thanks for your request for a fee quotation for the provision of Internal Audit services to your Council.

Based on the size and activities of your Council our fee would be **£395.00** plus VAT per annum. We estimate a requirement for 1 audit day per year on site at the Council's offices which will include a visit carried out after the year-end to conclude the arrangements in respect of the Annual Return.. Should the Council decide to appoint us for a minimum period of 3 years we will offer a discount of 5% percent on the fee quoted above.

If additional work is identified or should there be a requirement for additional audit time, for example due to work associated with significant adverse audit findings or additional reporting requirements, then these would be charged pro rata based on a daily rate of £ 395.00 plus VAT per day, or £295.00 for a half-day, again inclusive of all costs. Whenever possible we will endeavour to advise the Council if there is the potential for additional time and costs and obtain the Council's prior authorisation before undertaking additional work.

If the Council should find our quotation acceptable we will set out the full scope of our work and audit responsibilities in a formal Letter of Engagement that would be agreed prior to the commencement of work. We would also provide you with a schedule of the records that we will require to be able to complete the audit as well as a procedure to send us the records electronically.

I hope that this quotation is sufficient for your purposes but should you require any further information please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Rose', is written over a light blue horizontal line.

Kevin Rose ACMA  
Director

IAC Audit & Consultancy Ltd.  
Registered in England No 09753929  
23 Westbury Road, Yarnbrook, Wiltshire, BA14 6AG  
Tel. No 01225 775511 Email: [admin@audit-iac.com](mailto:admin@audit-iac.com)

CLSQ12

**Pre-Qualification Statement**

**Company name:**

IAC Audit and Consultancy Ltd (IAC)

**Company background and experience:**

IAC have been providing internal audit services to town and parish councils for more than 5 years and now audit over 150 town and parish councils. The company is owned by the Audit Director Kevin Rose, a CIMA qualified accountant. Kevin has previously worked in both the public sector, as an Internal Auditor with Wiltshire County Council, and in the private sector where he has worked as a Finance Director as well as a member of various audit committees.

**Primary Point of Contact**

Kevin Rose will be the primary point of contact for the Council.

**Potential Conflicts of Interest**

IAC does not provide any other services to Laverstock & Ford Parish Council that may constitute a conflict of interest.

There are no known personal relationships between IAC and Laverstock & Ford Parish Council Council officers or Councillors that may provide a conflict of interest.

**Client References**

Ludlow Town Council (Shropshire)	Northam Town Council (Devon)
Thatcham Town Council (Berkshire)	Hazlemere Parish Council (Buckinghamshire)
Dartmouth Town Council (Devon)	Great Linford Parish Council (Milton Keynes)
Church Crookham Parish Council (Hampshire)	Tring Town Council (Hertfordshire)
Magor with Undy Community Council (Monmouthshire)	Brynmawr Town Council (Blaenau-Gwent)

Further references may be provided upon request.

## **Audit methodology**

The detailed requirements for the Internal Audit of Town and Parish councils are set out in 'The Practitioner's Guide' issued by JPAG.

### 1. Appointment

In accordance with the requirements of the Guide upon successful appointment the first stage is to put in place an Engagement Letter which sets out the basis of the appointment, the term of the appointment, and the fees and charges that will apply.

The form of this letter is standard for each client, with changes only being made to reflect the man day requirement and level of fees.

### 2. Planning

IAC will plan the audit work to be undertaken to ensure that work undertaken is sufficient to provide an adequate level of assurance on the area subject to review. This will include the preparation of necessary checklists, the selection of samples, the allocation of appropriately qualified resources, and the provision of adequate time to complete the work.

### 3. Reporting

The reports produced for the council should be both accurate and easy to understand. Where appropriate findings will be prioritised so that the council may clearly see those items which present a higher level of risk.

Where issues are identified that are of high potential impact, for example requiring a negative response to an item on the Annual Return, then a specific report may be written to the council setting out the matters identified and proposed remedial actions.