

Engagement letter: (Self-employed basis)

.....**Parish / Town / Community Council**
Address:

Date:

Dear

The purpose of this letter is to set out the basis on which you are engaged to provide Internal Audit services to the Council and the respective responsibilities of the Council and of you as internal auditor.

Roles and Responsibilities

The Council is responsible for ensuring that the proper accounting records are maintained and for establishing appropriate accounting and internal control systems. We are also responsible for the preparation of annual accounts and the completion of the “Local Councils in England – Annual Return”.

The Internal Auditor(s) will report directly to full Council on the adequacy of the systems of internal control.

Scope of Audit and Reporting Requirements

The detailed scope of the audit is set out in the attached schedule. (This schedule is available in the publication Governance and Accountability for Local Councils – A practitioner’s guide at Appendix 9 in 2010 edition).

In addition to this work, the Council requires you to:

- Complete the Internal Auditor's Report at Section 4 of the Annual Return published by the Audit Commission each year.
- Provide the Council with a written report of your findings upon completion of audit
In carrying out this work the internal auditor will have full regards to the guidance on Internal Audit set out in the Governance and Accountability for Local Councils – A Practitioners Guide. This will include undertaking such test checks of the internal control systems as are necessary to evaluate the effectiveness of those controls and will report the results to Council.

Audit Timetable

The internal audit will commence in accordance with the timetable agreed with the Council, and may not necessarily be at the year end.

Independence

In signing this letter you confirm that you are independent of the Council and of its officers and councillors. You undertake to confirm in writing if you become aware of any threats to your independence of if these circumstances change.

Access to Information

The Internal Auditor(s) shall have the right to access the books, accounts and vouchers of the Council and to all the Councillors and staff at all reasonable times and as you consider necessary.

Period of Engagement and Remuneration

Your initial appointment as Internal Auditor to the Council is for the financial year ended 31 March (*Appointment maybe for more than one year*)

Termination

This agreement may be ended by either party by the giving of one month's notice.

Fees: Fees have been agreed on the basis of time likely to be spent by the Internal Auditor(s) and the level of competence involved. Unless otherwise agreed Fees will be billed at appropriate intervals during the financial year.

The fees for the financial year 20 / have been agreed at £ [plus VAT if applicable].

Agreement of Terms

This letter supersedes any previous engagement letter issued by the Council. Once agreed, this letter will remain effective from the date of signature until it is replaced, or either part terminates the agreement.

We should be grateful if you would confirm your agreement to the terms of this letter by signing and returning the enclosed copy.

Yours sincerely

Clerk / Responsible Financial Officer

I / We agree to the terms of this letter.

.....
Internal Auditor(s)

Model letter based on recommendation from Clement Keys and NALC 2010

Please refer to updated schedule (2017) found in GPN 465