

Tony McCord

Waltham Parish Council

22 August 2022

Dear Tony

Provision of Internal Audit Services

Thank you for your recent email regarding internal audit services for your Council. I am pleased to bid for this work and set out details of my services below.

1. Audit Fee

The fee I would charge for the audit of your council is dependent on the type of audit you would like to select.

- For a remote audit I would charge £200 for the annual internal audit of Waltham Parish Council.
- For an in person audit I would charge £250 plus travel from Farnham in Surrey, which is around £50 per visit

Vat is not charged, April Skies is below the VAT threshold.

Given the size of the Council, I would recommend one audit only, to be completed after the compilation of the accounting statements by the Council.

This assumes all working papers and relevant reconciliations are completed to a good standard. Additional work would be charged at £60 per hour.

2. Audit Process

My audit process is driven by the 12 control objectives of the internal audit section of the Annual Governance and Accountability Return (AGAR). I am required to sign off that the Council has proper controls in place against each of these control objectives, and my testing seeks to gather evidence to support the required sign off. The control objectives I must review are set out below, together with examples of tests I carry out to confirm proper controls are in place.

Control Objective	Example of audit test proposed
Appropriate accounting records have been properly kept throughout the financial year	Confirm transactions recorded on ledger are supported by relevant vouchers – ledgers up to date and properly reconciled
The authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.	Test sample of expenditure transactions from ledger, test expenditure authorised in line with financial regulations, VAT accounting correct and payment is for goods services delivered to Council

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Company Registration Number 14174016

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This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Review risk assessment process. Test insurance is in place and at appropriate levels. Review ICT back up.
The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate	Review budget and precept setting process. Ensure effective budget monitoring process is in place. Review reserves levels at year end and ensure proper levels of earmarked and general reserves are in place.
Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Test sample of income transactions from ledger, test that amount invoices accords with fees approved by council. Review debt collection process.
Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for	Ensure petty cash is reconciled on a regular basis
Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	Test sample of salary payments from ledger – confirm pay rates for staff are in line with approved rates of pay / NALC scales.
Asset and investments registers were complete and accurate and properly maintained.	Review asset register and ensure it is up to date with all additions / disposals properly entered on to register. Check all assets accounted for on correct basis.
Periodic and year-end bank account reconciliations were properly carried out.	Review and reperform bank reconciliations, ensure proper reporting at a Council meeting
This authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations	Check that inspection periods are set in line with regulations

3. Reporting

I issue written reports to the Clerk on completion of all audits. My report follows the structure of the AGAR, with details of audit testing and findings set out against each control objective defined in the internal audit section of the AGAR.

My report will include a schedule of recommendations, and I check for implementation of recommendations at each audit visit. The reports should be presented to Councillors to assist in preparation of the Annual Governance Statement.

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4. My Experience

I am a CIPFA qualified accountant with more than 30 years' experience in the public sector, mainly in local government audit. I have moved into the Parish and Town Council sector in the last 5 years and have the following relevant experience.

- Acting as RFO at a large parish council in Surrey, and offering continuing finance support;
- Experienced user of the RBS system and Edge systems, both as auditor and as RFO
- I have a portfolio of around 30 parish and town council audits I complete annually.

Please be assured that I will carry out the audit work should I be successful, and not delegate to a junior colleague. I look forward to hearing from you, and please contact me if you need any further information, or would like the names of referees.

5. Independence

I confirm I am completely independent of Waltham Parish Council. Should I be successful in this tender, I confirm I am debarred from taking on further work with the Council.

Please do not hesitate to contact me if you have any queries at all. I look forward to hearing from you in the near future

Yours sincerely



Mike Platten