



9th March 2021

Mr Andrew Clarke
3/5 Watergate Street
Ellesmere
Shropshire
SY12 0EX

Dear Mr Clarke

Internal Auditor to the Overton Community Council – Engagement Letter

I should like to confirm your appointment as Internal Auditor to the Overton Community Council (OCC). I have set out below the terms of your engagement. If you agree, I should be grateful if you could sign and return one copy for my records.

1. Roles and responsibilities

Of OCC:

OCC is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of its functions including arrangements for the management of risk.

OCC is required to undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control set out in the Joint Practitioners Advisory Group publication: Governance and Accountability for Local Councils – A Practitioners Guide.

Of the Internal Auditor:

The Internal Auditor is responsible for reviewing whether the OCC's financial management is adequate and effective, and that it has a sound system of internal control. The Internal Auditor will liaise with the Community Clerk on all assignments and will submit their annual report to the Council.

2. Audit planning

OCC has in place a strategic audit plan covering the main governance and financial systems and this is reviewed annually. Further guidance, including a description of the minimum level of audit, is set out in the Practitioners Guide.

The Internal Auditor will carry out the audit to enable him/her to provide assurance to members and officers, and to enable him/her to complete and sign off Section 4 of the Annual Return in advance of its submission to the OCC and the external auditor.

Reporting requirements

To enable the Internal Auditor to fully complete Section 4 of the Annual Return, he/she will carry out work relating to the year-end in April/May.

3. Independence and competence

It is essential that the internal audit function is sufficiently independent of other financial controls and procedures of the OCC.

The Internal Auditor will inform the Community Clerk immediately he/she becomes aware of any conflict of interest that may adversely affect his/her ability to carry out the audit objectively and independently.

The Internal Auditor will carry out the internal audit competently and in compliance with proper practice in a way that will meet the business needs of the OCC. In the event that the Internal Auditor becomes aware of matters that may affect his/her competence, he/she will inform the Clerk or the OCC Chairman immediately.

4. Access to information, members and officers

The Internal Auditor shall have the right of access during the audit to such accounts, vouchers, correspondence, accounting systems, minutes and other records as are necessary for the performance of the audit.

The Internal Auditor shall have the right of access to any member or officer to discuss and to receive information and explanations in connection with any matter arising from the audit.

5. Period of Audit

This engagement letter sets out the terms of Audit to be undertaken by the Internal Auditor for the financial year 2020/2021 which ends on 31st March 2021, subject to annual confirmation by OCC.

6. Remuneration

The fees are based on the degree of skill and responsibility involved and the time spent on the work and are fixed on the basis of the responsibilities detailed above for each financial year. If it is necessary to carry out work outside the responsibilities outlined in this letter it will involve additional fees that will be agreed with the Council in advance.

Terms relating to payment of amounts invoiced are strictly 30 days' net. Interest will be charged on all overdue debts at the rate for the time being applicable under the Late Payment of Commercial Debts (Interest) Act 1998.

Yours sincerely,

Katrina Chalk
Clerk to Overton Community Council