

LAVERSTOCK & FORD PARISH COUNCIL

Report for Agenda Item PC26.016 Internal Auditor

Subject: Appointment of Internal Auditor
Date: 13th February 2026
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 Small Authorities Proper Practices Panel 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. In 2024 the company quoted £395 plus VAT to provide an internal audit service and in return for a 3-year engagement they 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. In anticipation of re-appointment for the current year IAC have sent a new Engagement letter attached at **Annex B**. This is year-3 of the 3-year engagement.

4. Recommendation.

- 4.1 That the Council appoint IAC Audit & Consultancy Ltd to provide an internal audit service for the 2025-2026 financial year.

Annex A - Quotation for Internal Audit Services



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 'L. Rose'.

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

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.

Annex B - 2025-2026 Engagement Letter



The Clerk
Laverstock and Ford Parish Council
3 Pilgrims Way
Laverstock
Wiltshire
SP1 1RZ

22 January 2026

Internal Audit Engagement Letter

Roles and responsibilities

IAC Audit & Consultancy Limited will conduct internal audit work for your Council in relation to the 2026 Annual Return, and any subsequent Annual Returns as required by the Council.

The work will specifically support the completion of the Annual Internal Audit Report and assist the Council in fulfilling its obligations under Section 1 of the Annual Return.

In conducting this work, we will comply with the following:

- The Practitioners' Guide (England)
- The Accounts and Audit (England) Regulations 2015 (as amended)
- Any other applicable guidance and best practice prevailing at the time.

Additional internal audit work, beyond the scope of the Annual Return, may be undertaken by separate agreement.

Audit planning

We will plan our audit with due care to ensure that an appropriate level of resources is allocated to conduct the work efficiently, enabling the Council to meet its statutory reporting obligations..

Reporting

We will prepare a summary report on areas of non-compliance where such issues are limited in nature and do not warrant a qualification of the Internal Audit Report.

Where it is necessary to qualify the Internal Audit Report, we will prepare a detailed report outlining the areas of non-compliance that led to the qualification.

We may attend Council meetings, or meet with officers or councillors to discuss our findings and reports. We reserve the right to charge an additional fee for such attendance, which will be agreed in advance.

IAC Audit & Consultancy Ltd.
Registered in England No 09753929 - VAT Reg No 220 6715 38
23 Westbury Road, Yarnbrook, Wiltshire BA14 6AG
Email: admin@audit-iac.com Tel: 01225 775511

Independence and competence

We will ensure that all audit staff are appropriately trained and qualified for the work undertaken.

We will maintain independence from the Council's day-to-day operations and will not provide additional consultancy or advisory services that could compromise our audit independence.

Access to information, members and officers

In order to complete our audit, we will require access to relevant information, subject to reasonable notice. If we are unable to obtain necessary information, we will notify the Council in writing of the items outstanding.

The records provided must be sufficiently well-organised to allow for a timely and effective audit.

We will also require access to officers or members, as appropriate, to support the completion of our work.

Remuneration

Our fee will be in accordance with the quotation previously provided. The fee includes all travel and out-of-pocket expenses. Any additional audit time required will be discussed and invoiced in accordance with our proposal letter.

PLEASE RETAIN A COPY OF THIS LETTER FOR YOUR RECORDS

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K. Rose'.

Kevin Rose ACMA
Director