



Mrs A Kingdon
Clerk to Lyneham and Bradenstoke Parish Council
48a Calne Rd
Lyneham
Wilts SN15 4PN

9th November 2019

Dear Ann

Provision of Internal Audit Service

Further to our discussion regarding a quote for provision of the internal audit service to the Council for 2018-19 onwards: thanks also for the available detail you had to hand for our information questionnaire.

By way of background information for your members, I am the owner of this company, which was established to meet the requirements of the revised audit arrangements. I have some 50 years' experience in the audit of public sector bodies, the first 22 being spent on the external audit of National Health Service clients across England and Wales, apart from a three-year period when I worked as Chief Internal Auditor of the Hong Kong Urban Council in the mid 1970s. Following the NHS reforms in 1990, I worked for the District Audit Service as an Audit Manager with responsibility for both Local Government District Councils and NHS bodies in Wiltshire, including management responsibility for all the county's parish and town councils prior to my leaving and establishing this company in 2002. I also employ a number of contractors to assist with the workload; details of our experience and qualifications may be found on our website, as below: most have worked with me over a number of years both in the present company or in connection with my previous employment positions and all have various levels of audit and accounting experience in a variety of public and private sector bodies. The availability of additional contractors also enables us to meet clients' requirements and ensure continuity of service even where one of us may be suddenly indisposed.

The company was primarily established to provide an effective and efficient internal audit service to councils across England and Wales, primarily in response to the "limited assurance" arrangements implemented in 2001-02, but also to give elected members and the electorate the same high degree of assurance that was provided previously. We currently provide a service to some 300 councils, charitable bodies and other institutions ranging from small Parish Councils to many of the largest councils nationally including Weston-super-Mare, Shrewsbury, Dunstable and Chippenham. Should you require references, I would be pleased to provide relevant contact details. As a wholly independent company, it is self-evident that we remain distant from the Council's working procedures and controls thereby ensuring the required degree of "independence" in our approach. With several of us providing the service, we switch our workload around periodically in order that we do not become over-familiar with clients or complacent with our approach, thereby ensuring that a fresh pair of eyes undertakes the review periodically.

We have deliberately set out to provide a high-quality service to Councils in line with the requirements of the Governance and Accountability Manual. On completion of each visit, the Council will receive a detailed report identifying clearly the work undertaken, any areas where we may perceive there to be a need for improved controls and also the dissemination of best practice gleaned from other clients across the country.

I attach for your members' information a sample report, together with a copy of our basic work programme for 2018-19, which is reviewed and, where appropriate, updated each year to take account of any changes in legislation or additional requirements set out in the Governance and Accountability Manual. I trust that you will find the content informative as to the thoroughness of our approach.

Our normal practice is to assess and document the controls in place in each financial system and to then devise an appropriate testing strategy to ensure compliance with the approved procedures and controls in each area. We see it as our role not purely to sign off the Internal Audit Report in the Annual Governance and Accountability Return (AGAR), but to provide the Council with a balanced service aimed at assisting the implementation of legislation and ensuring that the Council is able to function in the most cost effective, legal and efficient way possible.

We believe strongly that for internal audit to be effective, it must be preventative rather than historical: however, given the apparent difficulties you face and the apparent non-compliance with the preparation and submission requirements of the AGAR process for 2018-19, any review for that year will obviously have to be retrospective.

Dependent on the availability of key information for 2018-19 and the potential concerns that you have, I consider that up to a day may be required to undertake the review and report accordingly to current members: we will obviously keep the time charged to the minimum necessary to complete the review and prepare an appropriate report. Our current daily fee is £445 plus VAT.

Our fees are all inclusive with no hidden extras such as mileage, stationery, etc and we will endeavour to keep the fee commensurate with the necessary level of cover being provided to facilitate our "sign-off" of the Council's AGAR for 2018-19. Looking forward, we consider it essential that we remain available to offer advice and guidance throughout the year and, unless any excessive additional information is sought or extensive research and / or work required, the above fee covers the full year. Should the Council request additional work over and above the basic level of cover, the hourly fee would be £55 plus VAT and be agreed in advance with the Council before commencement of any such work. We generally review our fees annually with any increases being linked to movements in the RPI over the previous year. I should also point out that we have full indemnity and public liability insurance cover.

Should you or your members wish to discuss the content of this quote, please do not hesitate to contact me. We are fully GDPR compliant with a raft of relevant and required policies in place: these are posted on our website and can, on request, be provided electronically.

I also enclose a copy of our standard Letter of Engagement for the Council and, should members determine to appoint us as your internal auditors, would appreciate your signing and returning in electronic format a copy for our files.

Yours sincerely

Stuart J Pollard

Stuart J Pollard
Director