Theresa Goss
3 Tanners Close
Middleton Cheney
Banbury OX17 2GD

Anne Ogilvie
Sandford St Martin Parish Council

10 June 2026

Dear Anne

Sandford St Martin Parish Council – Internal Audit 2026/2027, Letter of Engagement

The purpose of this letter is to set out the basis on which Sandford St Martin Parish Council will engage me as its Internal Auditor for 2026/2027.

My role as your Internal Auditor is to be a 'critical friend'. I will look through your Parish's processes and procedures and, where necessary, will make recommendations which, I hope, will help improve the Council's governance. Some of these recommendations will be long-term goals, others may need to be implemented more quickly, but I will be available as part of the Audit process to help guide you through what is needed.

This letter confirms the basis on which I will provide services to you to avoid any misunderstandings of our respective responsibilities.

1. Internal Audit of the Council

a.	the primary objectives of Internal Audit are:	
	i)	to review, appraise and report upon the adequacy of governance and internal control systems operating throughout the Council. To achieve this I will adopt a predominantly systems-based approach to the audit; and
	ii)	to carry out an annual inspection of the books and records of the Council.
The Council is responsible for supplying all documents requested.		
b.	Timescales for the effective and efficient method of completing the audit are as follows:	
	i)	ensure that the process laid down within this engagement letter is acceptable;
	ii)	sign the engagement form on the last page and return that page by email. (Please send this by 30 September 2026 to give time for completion of the checklist.)

c.	The Internal Audit will be carried out remotely. A checklist will be forwarded to the Clerk on receipt of the signed Letter of Engagement. This checklist should be completed and returned with any documents requested by **30 November 2026**. This will then be reviewed prior to the review meeting, if the meeting is required.
d.	An Interim Interal Audit will be completed and an interim report will be returned to the Clerk. The report will include recommendations which should be actioned before the end of the financial year (if possible) and a list of documents which need to be reviewed as part of the Final Internal Audit will accompany the report. An invoice for half of the total fee will be submitted to the Council, with the interim report.
e.	If an in-person meeting is required, this will incur an extra charge as per the table below (item 5).
f.	The draft, electronic, editable, version of the AGAR for 2026/2027 must be sent to me, with any other requested documents, **by 30 April 2027**.
g.	I will check the final Accounting Statement figures (Section 2) of the AGAR. Provided all is in order, I will then complete the Internal Audit section and return it electronically. Note: please do not complete Section 1 of the AGAR until the Council meeting to consider the AGAR.
h.	A final report and action plan will be issued with the Internal Auditor's Section of the AGAR 2026/2027. The final report will be an updated version of the interim report, including any actions the Parish Council has taken, since reviewing the recommendations in the interim report.
i.	Unfortunately, if timescales are not observed, this will attract extra charges over and above the quoted fee, as laid down below.

2. Scope of Work

Predominantly, Internal Audit will review the governance of the Council culminating in the completion of the Internal Audit Report as stated above. I will identify if the following key areas are in place and working satisfactorily.

Proper Book-keeping
Payment controls in relation to Financial Regulations
Review of the Internal Controls, which will include:

i. the Parish Risk Assessment; ii. review of the effectiveness of Internal Financial Control; iii. an overall review of your Internal Controls.
Budgetary controls
Income controls
Petty Cash procedures (if applicable)
Payroll controls
Asset controls
Bank reconciliations
Accounting statements and application of Spending Powers
Exemption criteria (if applicable)
Website and transparency code
Public Rights notice and dates
Publication of previous five years AGAR's
Review of the status of Trusts (if applicable)
Policies review
Review and completeness of minutes
General governance
Review and completeness of audit action plans
Year End procedures, which will include: i. Financial Statements review; ii. Review of Council balances; iii. Analytical Review; and iv. Annual Return review.
Digital and Data Compliance

3. Roles and Responsibilities

My role as an Internal Auditor is one of independence. I must make it clear that I can in no way involve myself in the financial decision-making, appointments or any other areas that may give rise to conflicts of interest.

4. The Council Responsibilities

The Responsible Financial Officer/Proper Officer, together with the Council, have clearly defined responsibilities for Risk Management, Internal Control, Internal Audit and the prevention of Fraud and Corruption.

The existence of Internal Audit does not diminish the responsibility of the Council to establish systems of internal control to ensure that activities are conducted in a secure and well-ordered manner.

5. Fees and Charges

Fees for 2026/2027 are based on the totals of the Parish Council's Receipts and Payments for **2025/2026**, whichever is the higher of the two totals.

Example:

Receipts 2025/2026

Precept (Box 2 AGAR)	Other Receipts (Box 3 AGAR)	Total
£20,000	£16,000	£36,000

Payments 2025/2026

Staff Costs (Box 4 AGAR)	Loan Repayments (Box 5 AGAR)	Other Payments (Box 6 AGAR)	Total
£9000	£4,000	£39,000	£52,000

The higher of the receipts and payments for 2025/2026 is the payments figure of £52,000, therefore the IA fee for 2026/2027 is £325.00.

Total Receipts or Total Payments for 2025/2026 (whichever is the higher)	Fees 2026/2027
Under £25,000	£225.00
£25,001 - £50,000	£275.00
£50,001 - £100,000	£325.00
£100,001 – £150,000	£375.00
£151,000 - £200,000	£400.00
£201,000 - £250,000	£450.00
£251,000 and over	£500.00

The above fees are based on 8 hours work on the Internal Audit on the understanding that all requests for documents and responses to my Internal Audit checklist are provided by the Council within the required timescales.

On completion of the interim internal audit report, half of the total fee is payable on invoice.

Additional Charges	
Late submission of documents, including the AGAR (no later than 30 April 2027)	£75.00 surcharge
Mileage	£0.45 per mile
Additional meetings (see 1 d. above)	£35.00 per hour
Attendance at a Council meeting	£70.00 (plus mileage)
Additional hours if the Internal Audit takes more than 8 hours	£35.00 per hour

Final payment is required on invoice once the final Internal Audit report has been issued.

6. Requests for attendance at Council Meetings

I would be happy to attend a Council meeting, given reasonable notice, if convenient. This gives the Council an opportunity to ask me questions, clarify the scope and nature of the work I have undertaken and to make me aware of any issues that may be relevant as my cycle of Internal Audit progresses.

A nominal cost for this service is charged at £75 plus mileage.

7. Request for work outside the scope of Paragraphs 1 to 3

Any such request for extra audit time to be provided will be discussed at the time and will be subject to an appendix agreement.

8. Agreement of terms

Once agreed, this letter will remain effective from the date of signature until it is replaced. Either party may vary or terminate my authority to act on your behalf at any time; however, if work has already been undertaken, a charge for the work so far, will be made. Notice of termination must be given in writing.

Please confirm your agreement to the terms of this letter of engagement by completing the form and returning it to me by **30 September 2026.**

I trust that this is acceptable to the Council and look forward to hearing from you.

Yours sincerely,

T.Goss

Theresa Goss

Agreement of Terms 2026/2027

Sandford St Martin Parish Council confirms that it considered and agreed

to the contents of this letter including the fee of:

at a Council meeting
on:

Minute Reference:

and agrees that it accurately reflects the services that Sandford St Martin Parish Council has instructed you, Theresa Goss, as Internal Auditor, to provide.

RFO/Parish Clerk Name:

Date: Signed:

Chairman or appropriate Council Member

Position: Name:

Date: Signed:

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