

Engagement Letter for: Llanfairfechan Town Council

JDH Business Services Limited is pleased to accept appointment as your internal auditor in accordance with the terms and conditions described below.

1.) Respective responsibilities of Council and Internal Auditors

i.) The Council – your responsibilities

- a) As members of the council, you are required to prepare and approve accounts for each financial year in accordance with the requirements of the latest adopted Accounts and Audit regulations and proper accounting practice.
- b) You are responsible for maintaining an adequate system of internal control, including measures designed to prevent and detect fraud and corruption.
- c) You are responsible for undertaking all reasonable steps to assure yourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice which could have a significant financial effect on the ability of the council to conduct its business or on its finances.
- d) You are responsible for carrying out an assessment of the risks facing the council and taking appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.

You have undertaken to make available to us, as and when required, all the council's books of account and records and related information necessary to carry out our work. You will make full disclosure to us of all relevant information.

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.

As part of our normal procedures we may request you to provide written confirmation of any information or explanations given to us orally during the course of our work.

ii.) **Internal Audit – Our Responsibilities**

The internal auditor is responsible for reviewing whether the Council's financial management is adequate and effective., and that it has a sound system of internal control. The scope of internal audit is summarised in the Annual Return for Local Councils as follows:

- Checking that books of account have been properly kept throughout the year
- Checking payment internal controls to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year end testing on the accuracy and completeness of the financial statements
- Where the council is sole trustee to a charity, reviewing whether the council has met its responsibilities as a trustee

2.) Reporting

The internal auditor will report to the Council after all interim and year end internal audits. In the event of a serious issue being identified during the year the internal auditor will also report to Council.

3.) Independence and Objectivity

The internal auditor will inform the Council immediately if the internal auditor becomes aware of any conflict of interest that may adversely affect their ability to carry out the internal audit objectively and independently and will resign from the appointment forthwith.

Signatures' technical details

Signatures

jayne@llanfairfechan.net

27/03/2024, 14:22:46 GMT

Fingerprint

9964a6086a080a37c683800335d96c624b68f62f

Event log

10.50.10.23 27/03/2024, 09:27:31 GMT
Signing request created.

System 27/03/2024, 09:27:34 GMT
Notification sent to jayne@llanfairfechan.net.

System 27/03/2024, 14:22:01 GMT
Signing page opened by signee jayne@llanfairfechan.net.

System 27/03/2024, 14:22:46 GMT
Signee jayne@llanfairfechan.net signed document.

System 27/03/2024, 14:22:46 GMT
Signing process completed.

Summary

Envelope's ID: 1cl17e3bh

Document's hash: a3bcf556b719883c256493c9d595caefabb674e496efddfb931e1c18e58e20f3

Final stamp: 27/03/2024, 14:22:48 GMT

JDH Business Services Ltd

Carreg Lwyd, Cefn Brychan
Road, Rhylfyrmyth,
Flintshire, CH7 5EW
e-mail: jdh@jdhbs.co.uk

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