

Mrs P Clover
Assistant to the Clerk
Melksham Town Council
Town Hall
Market Place
Melksham SN12 6XU

16th August 2021

Provision of Internal Audit Service

Further to your request for a quote for provision of the internal audit service to Melksham Council for 2021-22 and subsequent 2 years, I set out below detail of our formal quote.

[REDACTED]

The company was established to provide an effective and efficient service to all 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 nationally ranging from small Parish Councils to many of the largest councils nationally including Weston-super-Mare, Shrewsbury, Dunstable, Chippenham, Abingdon-on-Thames, Thame and Witney. Should you require references, I would be pleased to provide relevant contact details.

[REDACTED] 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 work.

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.

[REDACTED]

I attach for your members' information a copy of our basic work programme for 2021-22, which is reviewed and, if necessary, updated each year to take account of any changes in legislation.

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 new legislation and ensuring that the Council is able to function in the most cost effective and efficient way possible.

We believe strongly that for internal audit to be effective, it must be preventative rather than historical: consequently, for councils the size of Melksham, we generally undertake interim and final review visits, the latter being timed to coincide with closure of the year's Accounts and AGAR. On the basis of the information provided and, assuming that no specific issues or concerns are identified during our review, I anticipate that two days cover will be required.

Our daily fee for 2021-22 is £460 plus VAT giving a fee of £920 plus VAT for 2021-22: we review our fees annually, increasing them in line with movements in the RPI: with the continuing devolvement of services to town and parish councils within Wiltshire, we may need to review the time requirement should the workload need to increase following any significant increase in the Council's service level affecting its income streams: we obviously endeavour to keep our costs to the minimum commensurate with fulfilling our role in signing off the IA Report in each year's AGAR. Additionally, 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, our fees would be at the same daily rate and be agreed in advance before commencement of any such work. I should also point out that we have full indemnity and public liability insurance cover.

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

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