

Edith Weston Parish Council
24 Coniston Road
Edith Weston
Rutland
LE15 8HP

January 2025

Dear member council,

LRALC Internal Audit Service

Please find enclosed your Internal Audit Service invoice for the **2024-25 financial year**. As we have made you aware in previous years, we work on the basis of automatic renewal. If you wish to withdraw from LRALC Internal Audit Service, we need to know by 31st March 2025 for the financial year 2025-26. Any change made to your internal audit provision is a decision for your council and should be supported by a reference in your minutes.

This invoice covers internal audit provided to your council by LRALC for the period 1st April 2024 to 31st March 2025, including provision of the Annual Internal Audit Report (AIAR) which enables proper completion of the council's Annual Governance Statement as part of the forthcoming AGAR process following year end.

We invoice at this stage as we are approaching the end of the financial year for which we are providing your council internal audit, i.e. we have provided your council with internal audit services for 9 months (unless you joined mid-year) and there are only 3 months remaining. We know that it can be confusing as internal audit is sometimes seen as a once-a-year activity that takes place in May/June. However, the report we provide in May/June completes the process for the service we have provided over the preceding financial year. We invoice three quarters of the way through the year the service is provided for, not "in advance" as a couple of councils queried last year. As such our usual payment terms apply and we would appreciate payment within a month wherever possible.

A few parishes have moved into a higher band this year because, as you know, the scale of fees is based on electorate and the growth in these numbers has passed the threshold for the next band. In addition, as communicated to you in our Round Robin email of 23rd December 2024, for the next year of the service (2025-26) we have had to apply a 5% increase to the fees we charge. We believe the rates continue to offer excellent value for money as the quality of our IAS service surpasses most other provision out there. We have never aimed to be the cheapest, rather we aim to provide our member councils with a quality benchmarked service which they can rely on to be accurate and thorough.

The fees for the 2025-26 financial year (which will end with the issuing of our internal audit reports in May/June 2026) are copied in the third column of the grid below:



Electorate	Annual Fee for Internal Audit Service 2024-25 (current)	Annual Fee for Internal Audit Service from 1st April 2025 (payable January 2026)
0-150	£115.00	£120.75
150-500	£200.00	£210.00
500-1000	£245.00	£257.25
1000-3000	£290.00	£304.50
3000-5000	£370.00	£388.50
5000-10000	£450.00	£472.50
>10000	£495.00	£519.75

The fees above assume your internal audit will be carried out remotely which is now the preferred option for many of our councils and internal auditors.

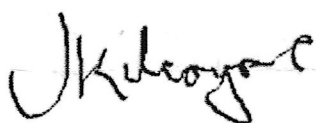
You may choose to have a face-to-face audit by agreement with your internal auditor. If this is the case, we will need to issue you with an additional invoice for mileage charged at 45 pence per mile following the conclusion of the audit. This will be sent to you when we receive this information from the relevant internal auditor.

You may find that you have a different internal auditor this year, possibly due to changes in our team. We have also taken the decision to rotate internal auditors when they have visited the same council for three or four years in a row. Whoever comes to carry out your audit, you can be confident that you will receive the usual high standard of service from LRALC.

Your internal auditor will contact you towards the end of this financial year to make arrangements to view your documents and complete the internal audit report for your council. Terms of reference for the internal audit service are included with this letter for your reference.

Thank you for continuing to choose LRALC for your internal audit.

Regards,



John Kilcoyne
Deputy Chief Executive
LRALC



Internal Audit Service - Terms of Reference

Internal Audit Objectives and Responsibilities

The primary objective of Internal Audit is to review, appraise and report upon the adequacy of internal control systems operating throughout the council using a systems-based approach.

The council's internal control system comprises the whole network of systems established within the council to provide reasonable assurance that the council's objectives will be achieved, with particular reference to:

- The effectiveness of operations
- The economic and efficient use of resources
- Compliance with applicable policies, procedures, laws, and regulations
- The safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity, and corruption
- The integrity and reliability of information, accounts, and data

Accordingly, in the conduct of planned audits Internal Audit may:

- Carry out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year to be able to complete Section 4 (Annual Internal Audit Report) of the Annual Governance and Accountability Return (AGAR)
- Review the reliability and integrity of financial information and the means used to identify, measure, classify and report such information
- Review the means of safeguarding assets and, as appropriate, verify the existence of such assets
- Appraise the economy and efficiency with which resources are employed, identify opportunities to improve performance and recommend solutions to problems
- Review the established systems to ensure compliance with those policies, procedures, laws, and regulations which could have a significant impact on operations, and determine whether the council is in compliance
- Review operations and activities to ascertain whether results are consistent with objectives and whether they are being carried out as planned

The Scope of Internal Audit Activity

There are no limitations on Internal Audit's scope of activities. The scope of Internal Audit allows for unrestricted coverage of the council's activities, including both financial and non-financial systems of internal control.

Independence

The main determinant of the effectiveness of Internal Audit is that it is seen to be independent in its planning and operation. To ensure this, Internal Audit will operate within a framework that allows:

- Unrestricted access to the officers of the council
- Reporting in its own name
- Segregation from the day-to-day operations of the council

Every effort will be made to preserve objectivity by ensuring that all Internal Auditors are free from any conflicts of interest and do not undertake any non-audit duties on behalf of the council.

Rights of Access

Audit visits may take place remotely or at a mutually agreed location. There are no limitations on Internal Audit's access to records. Internal Auditors shall have the authority to:

- Access council premises at reasonable times agreed in advance
- Access all assets, records, documents, correspondence, and control systems
- Receive any information and explanation considered necessary concerning any matter under consideration
- Require any employee of the council to account for cash, stores, or any other council asset under his/her control
- Access records belonging to third parties, such as contractors, when required

The Council's Responsibilities

The Responsible Financial Officer and Proper Officer have clearly defined responsibilities for Risk Management, Internal Control, Internal Audit and preventing 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.

Bullying & Respect

The Internal Auditor must respect the officers and members of the council, who in turn must respect the Internal Auditor. Members and officers must not bully, intimidate, or coerce the Internal Auditor. Bullying of the Internal Auditor will not be tolerated, and such behaviour may lead to the service being halted and suspended temporarily or withdrawn permanently.

Reporting

The Internal Auditor will formally report the results of audits and the recommendations made to council and will follow up at subsequent Internal Audits to make sure that corrective actions are taken.

