

Claire Connell MA, ACA, CTA

Chartered Accountant and Chartered Tax Adviser

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The Councillors
Stratfield Mortimer Parish Council
Parish Council Office
27 Victoria Road
Mortimer
Reading RG7 3SH

21st October 2025

Dear Ladies and Gentlemen

I am pleased to accept the appointment as your internal auditor. The purpose of this letter and the attached Standard Terms of Business is to set out the basis on which I am to act and to clarify our respective responsibilities.

I am bound by the ethical guidelines of the Institute of Chartered Accountants of England and Wales and accept instructions to act for you on the basis that I will act in accordance with those ethical guidelines.

1 Roles and responsibilities

- 1.1 The Council is responsible for maintaining adequate accounting and financial control functions. The responsibility for safeguarding the assets of the Council and for the prevention and detection of fraud, error and non-compliance with laws and regulations rests with the Council.
- 1.2 The Council is also responsible for preparing financial statements that have been prepared in accordance with current practices and guidance.
- 1.3 As internal auditor I am responsible for reviewing whether the systems of financial and other control are adequate and effective. I am required to complete the Internal Auditor's Report within the Annual Governance and Accountability Return. I will also provide a written report of the findings of the audit to the Council.

2 Internal audit

- 2.1 I will carry out the internal audit in accordance with the guidance provided in "Governance and Accountability for Local Councils: A Practitioners' Guide" (G&A). The audit will include such tests of transactions and of the existence, ownership and valuation of assets and liabilities as I consider necessary.
- 2.2 An internal audit plan will be drawn up in consultation with the responsible officers and with reference to the council's risk assessment. This plan will be based on the internal audit checklist as set out in section 4 of G&A and modified to reflect the activities of the Council. A preliminary plan is set out in Appendix 1.
- 2.3 The internal audit plan will ensure that the internal audit work covers the necessary areas so that the assurances to be given in the annual audit report can be made. It is not the purpose of internal audit to detect or prevent fraud.
- 2.4 You will make available all necessary books and records and will allow direct access to those charged with governance in order that the internal audit work can be carried out.
- 2.5 A timetable will be agreed to ensure that my annual report is available at the required time as part of the annual return process.

A member of the ICAEW Practice Assurance Scheme

3 Period of engagement

3.1 This appointment will be renewable on an annual basis commencing with the year ended 31st March 2026. This letter remains effective until replaced.

4 Remuneration

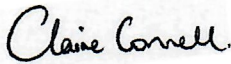
4.1 The fee for the internal audit will be agreed each year in advance of the work commencing. For the year ended 31st March 2026 the fee will be £520. This covers the interim and final audit reports, completion of the internal audit report within the AGAR, and any routine conversations during the year.

5 Agreement of terms

5.1 The terms set out in this letter and my attached Standard Terms of Business (last revised August 2023) shall take effect immediately upon your countersigning this letter and returning it to me or upon the commencement of the internal audit for the accounting period ended 31st March 2026.

5.2 Once it has been agreed, this letter and the attached Standard Terms of Business (last revised August 2023) will remain effective until they are replaced. I shall be grateful if you could confirm your agreement to these terms by signing the enclosed copy of this letter and returning it to me immediately.

Yours faithfully,



Claire Connell

I confirm that I have read and understood the contents of this letter and the attached Standard Terms of Business (last revised August 2023) and agree that they accurately reflect the services that I have instructed you to provide.

Signed *Danielle Dea*..... Dated *12/06/2025*.....

For and on behalf of Stratfield Mortimer Parish Council