

Letter of Engagement between

Northants CALC Ltd and [INSERT NAME] Council (hereafter “the Council”)

Date: 01 April 2026

To the Chair/Mayor of the Council,

The purpose of this letter is to set out the basis on which Northants CALC is engaged to appoint an internal auditor to the Council under the Northants CALC Internal Audit Service (IAS).

This letter sets out terms on which Northants CALC will act for the Council in relation to the appointment of an internal auditor.

1. Period of engagement

1.1. This agreement starts on 1 April 2026.

2. Responsibilities of the Council and Northants CALC

2.1. The Council is responsible for approval of the annual governance statement and the preparation of the annual return, including, inter alia, the maintenance of proper accounting records and an appropriate system of internal control.

2.2. Northants CALC will appoint an internal auditor to the Council who will work in accordance with the professional standards for such engagements. It will consist of internal audit checks following the guidelines set out in Section Four of the current edition of the Practitioners’ Guide.

3. Quality of service

3.1. Northants CALC aims to provide the best possible service to councils. If you would like to discuss how the service could be improved, please contact the Chief Executive of Northants CALC by email (dmoody@northantscalc.gov.uk).

3.2. Northants CALC undertakes to look into any complaint carefully and promptly and do all we can to explain the position to you. We will do everything reasonable to put matters right. Prompt communication enables us to take prompt action on your behalf.

3.3. Should you at any stage feel that you have not received an adequate response to a complaint the circumstances may be brought to the attention of the chair of Northants CALC.

- 3.4. The audit report reflects the independent professional judgement of the auditor based on the evidence reviewed. While factual accuracy is checked with the council, the findings and assurance rating remain the auditor's opinion.
- 3.5. Council comments should focus on factual accuracy and provide clear management responses to recommendations. Any disagreements may be noted, but they do not alter the auditor's findings or overall opinion.
- 3.6. The internal audit is a function provided to the council and auditors only communicate with the council regarding the audit. If there are any communications from members of the public, a short response to acknowledge receipt will be sent and it will be made clear that any public communications need to be directed to the council.

4. Fees

- 4.1. These are as per the scale of charges published annually and are based on the total income or expenditure (whichever is higher) of the council. Fees will be billed annually on the first day of the year in question.

5. Applicable law

- 5.1. This engagement letter shall be governed by, and construed in accordance with, English law. The Courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.

6. Agreement of terms

- 6.1. The council has been invoiced for the service. Payment of the invoice will indicate acceptance of the agreement.
- 6.2. Either party may vary or terminate our authority to act on your behalf at any time without penalty. Notice of termination must be given in writing.

dcm/ias/loa/v1_2026