

Our Ref: LD/YA05

14 April 2026

Yarm Town Council
Town Hall
High Street
YARM
TS15 9AH

Dear Counsellors

Yarm Town Council

Thank you for engaging us as your Internal Auditor and Accountant. This letter, together with our Standard Terms of Business, set out the basis on which we are engaged and our respective areas of responsibility.

We are bound by the code of ethics of the Institute of Chartered Accountants in England and Wales (ICAEW) and accept instructions to act for you on the basis that we will act in accordance with those ethical guidelines.

Scope of Services

We have listed below the work which you have instructed us to carry out, the detail of which is contained in the attached schedules. These state your and our responsibilities in relation to the work to be carried out. Only the services which are listed in the attached schedules are included within the scope of our instructions. If there is additional work that you wish us to carry out which is not listed in the schedules, please let us know and we will discuss with you whether they can be included in the scope of our work. If we agree to carry out additional services for you we will provide you with a new or amended engagement letter and schedules.

The following Schedules of Services are attached to this letter and should be read in conjunction with it:

- Preparation of Year-End Accounting Statements
- Internal Auditor
- Provision of Client Portal Service via the Cloud

Our Standard Terms of Business can be found by visiting the following page on our website www.jbca.co/client_area/. If you would like a hard copy, please let us know.

Further assistance

If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please let us know by contacting Mr John Benson, Mr Paul Riggall or Mrs Lynne Dickson on 01642 606053

Further details are set out in our standard terms of business, section 10.

Limitation of Liability

We will provide services with reasonable care and skill. Our liability to you is limited to losses, damages, costs and expenses caused by our negligence or wilful default. However, to the fullest extent permitted by law, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities where you or others supply incorrect or incomplete information or fail to supply any appropriate information or where you fail to act on our advice or respond promptly to communications from us or the tax authorities.

Also at: Hub 1, The Innovation Centre, Venture Court, Queens Meadow Business Park, Hartlepool, TS25 5TG
Tel: 01429 239505 | Email: hartlepool@jbca.co

Directors: John Benson FCA, Paul Riggall FCCA FCA & Lynne Dickson FCA

Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales.
Trading name of JBC Accountants Limited. Registered in England. No. 7268807
Registered Office: 3B Lockheed Court, Preston Farm, Stockton-on-Tees, TS18 3SH



ICAEW
CHARTERED
ACCOUNTANTS

You will not hold us, our directors and staff, responsible, to the fullest extent permitted by law, for any loss suffered by you arising from any misrepresentation (intentional or unintentional) supplied to us orally or in writing in connection with this agreement. You have agreed that you will not bring any claim in connection with services we provide to you against any of our partners or employees personally.

Our work is not, unless there is a legal or regulatory requirement to do so, to be made available to third parties without our written permission and we will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them. This should be read in conjunction with section 18 of our standard terms of business schedule which, in particular, excludes liability to third parties.

Agreement of Terms

Data Protection

We are committed to ensuring the protection and security of any personal data which we process. Your attention is drawn to clause 14 of the attached Terms of Business which details how we treat personal data received by us in the provision of our services during our engagement with you. By signing this letter, you confirm that you have read and understood clause 14 and any privacy notice referred to therein.

Period of engagement

This engagement will start from the date you sign this letter.

This letter supersedes any previous Engagement Letter for the period covered. The terms set out in this letter shall take effect immediately upon you confirming your agreement as requested below. If we are instructed to start work before receiving your confirmation we will treat that as acceptance of all the terms of this engagement letter, unless we hear from you to the contrary within 14 days of you giving that instruction.

Confirmation of your Agreement

Please confirm your agreement to the terms of this letter and our Standard Terms of Business by marking the document as approved. If you would like to download, print and sign the document for your own records, you can do so below. Once agreed this letter will remain effective until it is replaced.

This letter, together with the attached schedules, constitutes the entire contract between us and any proposed variations or termination must be given in writing.

If this letter and the Standard Terms of Business are not in accordance with your understanding of our terms of appointment, please let us know.

Yours faithfully,
for JBC ACCOUNTANTS

Signed: 

Dated: 14 April 2026

We confirm that we have read and understood the contents of this letter and the Standard Terms of Business and agree that they accurately reflect the services that we have instructed you to provide.

Signed: 

Dated: 16/4/2026

Signed: 

Dated: 16/4/2026

At least two Counsellors must sign above.

SCHEDULE OF SERVICES

This schedule should be read in conjunction with the Engagement Letter and the Terms and Conditions of Business.

PREPARATION OF YEAR-END ACCOUNTING STATEMENTS

The Council's financial statements will be prepared in accordance with the accepted accounting basis.

1 Your responsibilities

- 1.1 You have agreed that you will maintain all accounting records.
- 1.2 You are responsible for ensuring that, to the best of your knowledge and belief, financial information, whether used by the entity or for the accounting statements, is accurate and complete. You are also responsible for ensuring that the activities of the Council are conducted honestly and for safeguarding the assets of the entity and for taking reasonable steps to ensure the prevention and detection of fraud.
- 1.3 You are responsible for ensuring that the Council complies with the laws and regulations that apply to its activities, and for preventing non-compliance and for detecting any that occurs.
- 1.4 You have agreed to make available to us, as and when required, all your accounting records and related financial information, including any minutes of meetings, necessary to carry out our work. You have agreed to provide us with all information and explanations relevant to the purpose and compilation of the annual statements and you will disclose to us all relevant information in full.
- 1.5 You will approve and sign the annual statements thereby acknowledging responsibility for them, including the appropriateness of the accounting basis on which they are compiled, and for providing us with all information and necessary explanations necessary for their compilation.

2 Our responsibilities as accountants

- 2.1 We will compile the annual statements for inclusion on the Annual Governance and Accountability Return for your approval.

SCHEDULE OF SERVICES

This schedule should be read in conjunction with the Engagement Letter and the Terms and Conditions of Business.

INTERNAL AUDIT

1 Your Responsibilities

- 1.1 As mentioned above, the council is responsible for ensuring that adequate accounting records and an appropriate system of internal control have been kept.
- 1.2 You will approve the annual governance statement.

2 Our Responsibilities

- 2.1 We will carry out internal audit checks following the guidelines in the current edition of 'Smaller Authorities Proper Practice Panel (SAPPP) Practitioners Guide covering the financial year under review. We shall:
 - Review the accounting records and all other relevant records and related information, including minutes of all meetings.
 - Report to you in writing of any adjustments that we may consider necessary, or those areas where we think your systems may require improvement.
 - Sign the Annual Internal Audit report page of the Annual Governance and Accountability Return (AGAR) as internal auditors.
- 2.2 We have a professional responsibility to report if the annual statements do not comply with applicable proper practices, unless in our opinion the non-compliance is justified in the circumstances. In determining whether the departure is justified we consider:
 - Is the departure required for the financial statements to give a true and fair view;
 - and has adequate disclosure been made concerning the departure.
- 2.3. We confirm that as internal auditors we meet the requirements to be competent and independent, as defined by the SAPPP Practitioner's Guide.
- 2.4. As with other professional services firms, we are required to identify our clients for the purposes of the UK anti money laundering legislation. We are likely to request from you, and retain, some information and documentation for these purposes and/or to make searches of appropriate databases. If we cannot obtain satisfactory evidence of your identity within a reasonable time, there may be circumstances in which we are not able to proceed with the audit appointment.
- 2.5. The provision of audit services is a business in the regulated sector under the Proceeds of Crime Act 2002 and, as such, partners and staff in audit firms must comply with this legislation which includes provisions that may require us to make a money laundering disclosure in relation to information we obtain as part of our normal audit work. It is not our practice to inform you when such a disclosure is made or the reasons for it because of the restrictions imposed by the 'tipping off' provisions of the legislation.

Scope of Internal Audit

- 3.1 Our internal audit will be conducted in accordance with current practices and guidelines and will include tests of transactions and of the existence, ownership and valuation of assets and liabilities such as we consider necessary.
- 3.2. We shall obtain an understanding of the accounting and internal control systems to assess their adequacy as a basis for the preparation of the annual statements and to establish whether proper accounting records have been maintained by the council. We shall expect to obtain such appropriate evidence as we consider sufficient to enable us to draw reasonable conclusions there from.
- 3.3. The nature and extent of our procedures will vary according to our assessment of the council's accounting system and, where we wish to place reliance on it, the internal control system, and may cover any aspect of the business operations that we consider appropriate. Our internal audit is not designed to identify all significant weaknesses in the council's systems but, if such weaknesses come to our notice during our audit, which we think should be brought to your attention, we shall report them to you. We accept no duty or responsibility to any other third party as concerns our reports.
- 3.4. As part of our normal internal audit procedures, we may request you provide written confirmation of certain oral representations which we have received from you during the internal audit on matters having a material effect on the financial statements. Where we bring misstatements in the accounts to your attention that are not adjusted, we shall require written representation of your reasons.

SCHEDULE OF SERVICES

This schedule should be read in conjunction with the Engagement Letter and the Terms and Conditions of Business.

PROVISION OF CLIENT PORTAL SERVICE via the CLOUD

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to provide access to a secure client portal via the Cloud provided by the third-party software provider, IRIS OpenSpace and to clarify our respective responsibilities in respect of that work. You agree that access will be provided to both the firm and the Cloud Supplier.

Details of the Cloud Supplier are Iris Software Group Ltd, Heathrow Approach, 470 London Road, Slough, SL3 8QY, 0344 815 5555, www.iris.co.uk. IRIS OpenSpace is hosted at Microsoft West Europe Azure Datacentre located in Netherlands.

- 1 Your responsibilities
 - 1.1 You control which documents are uploaded to the portal and for removing them when they are no longer needed.
 - 1.2 If you need to send/process personal data, you will provide us with appropriate contractual assurances that you have secured consents to do so.
 - 1.3 You will be obliged to keep all passwords and login details secure and not to share with others.
 - 1.4 You undertake to use the system for acceptable use, which includes:
 - not to transmit any viruses, Trojans, keyloggers or other harmful code;
 - not to transmit any unlawful information or content;
 - not to allow access to the service to any third party; and
 - not to use the software to provide services to other parties.
 - 1.5 You are responsible for:
 - ensuring that your network and systems meet any necessary performance requirements;
 - maintaining your network and telecommunication links; and
 - compliance with applicable Cloud Supplier terms, if applicable.
 - 1.6 If one of your staff who has access to the portal leaves, you are responsible for asking the firm to remove their user id and password.
 - 1.7 If you determine to cease using the services of the firm, you will inform the firm immediately.
- 2 Our responsibilities as accountants
 - 2.1 We will provide a free voluntary client portal service to allow the secure exchange of documents between the firm and its client, as well as ongoing client access to certain documents (which may include confidential documents) created or maintained by the firm.
 - 2.2 We undertake to use all reasonable endeavours to obtain from the Cloud Supplier a signed confidentiality agreement with the firm to ensure compliance with the relevant clauses in the firm's standard terms of business concerning our fees, confidentiality, internet communication, all relevant data protection law and general limitation of liability.
 - 2.3 We will keep all passwords and login details secure, and only disclose to staff that require access.
 - 2.4 The firm cannot be held liable for any failures to deliver services due to transmission errors or unavailability of telecoms networks, or due to the failure or unavailability of any Cloud Supplier infrastructure. We are also not liable for any loss of or corruption to your data or if the service is interrupted due to your breach of Cloud Supplier terms. However, we will liaise with them to help ensure that normal service is resumed as soon as possible.
 - 2.5 On receiving notification of the decision to cease using our services, we will immediately cancel all user access to your portal and discuss with you the way ahead.
 - 2.6 The firm reserves the right to modify these terms and conditions under which the portal is offered and will provide you with due notice before implementation.

- 3.5. To assist us with the examination of your annual statements, we shall request sight of all documents or statements, including minutes and reports, which are due to be issued with the financial statements. We are also entitled to attend all general meetings of the council and to receive notice of all such meetings.
- 3.6. The responsibility of safeguarding the assets of the council and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the council. However, we shall endeavour to plan our audit so that we have a reasonable expectation of detecting material misstatements in the annual statements or accounting records (including those resulting from fraud, error or non-compliance with law or regulations), but our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance as may exist.
- 3.7. Once we have issued/uploaded our report we have no further direct responsibility in relation to the annual statements for that financial year. However, we expect that you will inform us of any changes occurring between the date of our report and submission to the external auditor.
- 3.8. We appreciate that the present size of your council may render it uneconomic to create a system of internal control based on the segregation of duties for different functions within each area of the council. In planning and performing our internal audit work we shall take account of this.

Communication

- 3.9 In order to ensure that there is effective two-way communication between us we set out below the expected form and timing of such communications.
 - (a) We may arrange a meeting to discuss the forthcoming internal audit prior to the expected start date.
 - (b) We may arrange a meeting to discuss any matters arising from completing the on-site work.
 - (c) We shall of course contact you on a regular basis regarding both audit and other matters.