

10. Internal Audit Arrangements

Purpose of report

1. To advise the Authority on the prospective appointment of a replacement Internal Audit Service.
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Recommendation

The Treasurer recommends that the Authority note the appointment of the 'Consortium' subject to agreeable terms and conditions being received.

Introduction and Background

2. Following the notification of the current CSR, Members will be aware that much down-sizing has occurred by authorities via restructures and reviews of the services provided by authorities, and even between authorities.
3. Until 2010/2011 WCC has provided the Internal Audit Service to the FRA for many years, but felt it could no longer provide the service following its own review, and informed the FRA by giving notice in April.
4. Subsequently WCC indicated that this decision was to be reconsidered, and in September arranged a meeting between relevant parties to find a solution, where it was confirmed, however, that WCC would not now provide the Internal Audit Service to the FRA from 2011/12.

Current Position

5. Your officers had already made enquires for sourcing an alternative supplier for the service upon receiving the initial indications of WCC.
6. For some time a 'Consortium' has been generated from several local district authorities' internal audit sections to provide an internal audit service around the area.
7. The meeting in September was attended by the FRA, WCC and the 'Consortium' and it served to satisfy all parties with a view to an agreed way forward. .

Conclusion/Summary

8. The Authority is responsible for maintaining or procuring an adequate and effective internal audit of the activities of the Authority under the Accounts and Audit (England) Regulations 2011. This includes considering, where appropriate, the need for and the effectiveness of anti fraud controls. This duty is delegated to the Treasurer.

9. Following a decision earlier in the year by the Treasurer to request WCC to complete outstanding 2010/2011 Audits, (a report to the Audit Committee following this meeting addresses that progress and any outstanding work) it would now be appropriate to engage the Consortium on a 3 year contract.

Financial Considerations

Consideration	Yes/No	Reference in Report i.e paragraph no.
There are financial issues that require consideration	Yes	Final costs to be evaluated along with budgetary considerations.

Legal Considerations

Consideration	Yes/No	Reference in Report i.e paragraph no.
There are legal issues e.g. contractual and procurement, reputational issues that require consideration	Yes	Requirement of the 2011 Act (para 8)

Additional Considerations

10. The table below sets out any additional issues arising from the proposals contained in this report and identifies the relevant paragraphs in the report where such issues are addressed.

Consideration	Yes/No	Reference in Report i.e paragraph no.
Resources (e.g. Assets, ICT, Human Resources, Training & Development, Sustainability).	No	
Strategic Policy Links (e.g. IRMP, Authority Plan, Equality & Diversity, Partnerships, Environmental Impact).	No	
Risk Management / Health & Safety (e.g. risk management and control measures, risk register score).	No	Other than statutory requirement.
Consultation with Representative Bodies	No	

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