

AGENDA ITEM:

INTERNAL AUDIT CONSORTIUM – PROVISION OF MANAGEMENT SERVICES TO DERBYSHIRE DALES DISTRICT COUNCIL

MEETING: JOINT BOARD

DATE: 14th JANUARY 2014

REPORT BY: INTERIM HEAD OF INTERNAL AUDIT CONSORTIUM

For Publication

Back Ground Papers:

1.0 PURPOSE OF THE REPORT

1.1 To obtain Members approval to provide a management service to Derbyshire Dales District Council.

2.0 RECOMMENDATION

2.1 That Members approve the provision of management services to Derbyshire Dales District Council.

3.0 BACKGROUND

3.1 The Head of Internal Audit at Derbyshire Dales District Council (DDDC) has recently retired. Whilst DDDC have still retained a very experienced Auditor, she does not hold the professional qualification required by the Public Sector Internal Audit Standards (PSIAS) which would make DDDC non compliant with the required PSIAS standards.

3.2 In the light of this the Head of Finance at DDDC approached the Director of Resources for NEDDC and Bolsover DC and the Head of Finance at CBC with a view to requesting management services from the Internal Audit Consortium.

- 3.3** After undertaking some initial discussions and research at DDDC the Interim Head of Audit is of the opinion that a management service could be provided to DDDC for 30 days a year at a price of £9,600 per year. The management service would include producing the audit plan, the annual report and progress reports for their Audit Committee. It would also entail reviewing their internal audit sections work and monitoring delivery of the plan to ensure that the quality aspect of the PSIAS is achieved. This work would be undertaken by the Internal Audit Consortium's Interim Head of Internal Audit who possesses the relevant professional qualification.
- 3.4** The Interim Head of Internal Audit and the Chief Financial Officers at the Council's within the Consortium are of the view that this arrangement will not undermine the ability of the Internal Audit Consortium to provide the required level of Internal work to the existing participants in the Internal Audit Consortium. That opinion will be subject to review by the Audit Committee at each individual Council.
- 3.5** The Head of Finance at DDDC has obtained approval from DDDC's Audit Committee to enter in to this arrangement starting from the beginning of January 2014.
- 3.6** The arrangement would increase joint working with a Derbyshire District Council and also generate an income for the Council. A financial provision has been made within the 2014/15 budget to ensure that the respective audit plans of each Council can still be delivered should any unforeseen circumstances arise or to cover any potential lack of resource due to the provision of management services to Derbyshire Dales District Council. A working balance of £30,000 is to be carried forward. In addition to this there is a further £45,000 available as the Head of Internal Audit post and the Deputy Head of Internal Audit post have both been budgeted for although only one of the posts is currently occupied.

4 **Considerations**

- 4.1** Financial – The provision of management services will generate an income for the Internal Audit Consortium that will be distributed out to the Consortium partners.
- 4.2** Risk Management – The Interim Head of Internal Audit has the required qualification and experience in order to be able to provide DDDC with an appropriate management service. The Council's insurers have been made aware of the arrangement.

5.0 RECOMMENDATION

5.1 That Members approve the provision of management services to Derbyshire Dales District Council.

6.0 REASON FOR RECOMMENDATION

6.1 To obtain Members approval to provide a management service to DDDC.

Jenny Williams

Interim Head of Internal Audit Consortium

For further information on this report, please contact Jenny Williams 01246 345468

Joint Board Decision

Officer Recommendation supported/not supported/modified as below:

Signed Leader (or reserve) Bolsover District Council

Signed Leader (or reserve) Chesterfield Borough Council

Signed Leader (or reserve) North East Derbyshire District Council

Date