

CABINET – 19TH SEPTEMBER 2019

Report of the Scrutiny Commission

ITEM 11 SHARED INTERNAL AUDIT SERVICE WITH NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL AND BLABY DISTRICT COUNCIL

Purpose of Report

To consider the comments and recommendations of the Scrutiny Commission in relation to a shared service arrangement between Charnwood Borough Council, North West Leicestershire District Council and Blaby District Council for the provision of internal audit, with North West Leicestershire being the lead authority.

Recommendation of the Scrutiny Commission

That the Cabinet be informed that the Commission supports the recommendations as set out in the report of the Head of Strategic Support.

Reason

The Commission was satisfied that a shared internal audit service between the three authorities increased resilience, improved service delivery and potentially generates future cost savings. The Cabinet's consideration of the Commission's views and recommendations was welcomed as part of its decision-making process.

Meeting Discussion

Following questions from the Commission, the Lead Member for Equalities, Member and Strategic Services and the Head of Strategic Support provided the following responses:

- i. The timescale of the existing shared service agreement between North West Leicestershire District Council and Blaby District Council was currently approximately three years. The agreement would be renewed to incorporate Charnwood Borough Council.
- ii. It was unknown whether there was a national shortage of auditors. Auditors with Local Government knowledge were a scarce commodity, and Charnwood Borough Council had experienced difficulty in the recruitment and retention of audit staff.
- iii. Concerns of the Audit Committee and the operation of the Internal Audit Programme specifically with regards to incomplete work had been addressed through a procurement process. Ninety days of audit work would be delivered by BDO to address outstanding work. The proposed shared service would be fully staffed and relevant Charnwood Borough Council Managers and Heads of Service would be consulted on preparing teams for the arrival of the Senior Audit

Officer allocated. Resilience was required and the intention was that the shared internal audit service would deliver this.

- iv. The time frame for the implementation of the shared internal audit service would be between December 2019 and January 2020.
- v. The Head of Strategic Support and the equivalent at North West Leicestershire District Council and Blaby District Council would meet two or three times a year in order to manage and review the contract. There was also scope for any further meetings if required. The Lead Member for Equalities, Member and Strategic Services would be kept updated with developments in the contract.
- vi. Transparency in the success of the shared service would be valued. There was a possibility that meetings could be minuted and agendas provided. The intention was for strong working relationships between the partners.

Policy Justification and Previous Decisions

Scrutiny Committee Procedure Rule 11.12 sets out the procedure by which a report of a scrutiny committee should be considered by the Cabinet.

Implementation Timetable including Future Decisions and Scrutiny

The information on this in the Cabinet report is not affected by the recommendation of the Scrutiny Commission.

Report Implications

The following implications have been identified for this report.

Financial Implications

There are no further financial implications associated with the recommendation of the Scrutiny Commission.

Risk Management

There are no specific risks associated with the recommendation of the Scrutiny Commission.

Key Decision:	Yes
Background Paper:	Scrutiny Commission Minute 43 2019/20, 16th September 2019
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