

Audit Partnership Arrangements - Internal Audit Manager Sharing**1. Purpose of Report**

- 1.1 To update members on arrangements established for sharing the Council's Internal Audit Manager with District Councils in Dorset.

2. Background

- 2.1 New Forest's Internal Audit team has a well deserved good reputation both inside and outside the Authority. The team is well regarded by the External Auditor and this has led to work being undertaken successfully on their behalf saving external audit fees for the Council. In addition services are currently provided to New Forest National Park Authority and a number of Town and Parish Councils through Service Level Agreements.
- 2.2 Although, in recent years the team has reduced in size (currently 6 FTE's), it still retains a high level of skill and professional expertise within the staff resource.
- 2.3 In many District Councils resources are only sufficient to support a small team. For that reason many District Council's have looked to work in partnership in order that individual authorities can benefit from the economies of scale gained from working as a larger group.

3. Sharing Opportunity

- 3.1 One such internal audit partnership developed in the neighbouring Councils of Christchurch, East Dorset, North Dorset and Purbeck (original total 5.4 FTE's). Recently they were advertising for an Internal Audit Manager to deliver their Internal Audit Service.
- 3.2 This provided an opportunity for the Council given the skills and professional experience available to further benefit the internal audit team and achieve wider benefits to the Council from partnership working.
- 3.3 A proposal was presented to the Dorset Districts based around New Forest's Internal Audit Manager taking on the additional responsibility of managing both teams. Although not envisaged at the time this became a competition for the role, as another provider in Hampshire was prepared to offer a similar service.
- 3.4 The outcome is that the Council's proposal was accepted and New Forest's Internal Audit Manager is now managing the partnership service in addition to the Council's own service.
- 3.5 The basis of the arrangement is that it will be supported for one year and then reviewed. A fee was agreed within a service level agreement which supports the "back filling" of resources within the Council's own team.

4 Current Position

- 4.1 This arrangement has been in place for about six weeks and early indications are that it is working very well. Although New Forest is not part of the formal audit partnership this will be reviewed during the course of the next year to see if further benefits can be gained from a development of the arrangements.

4.2 Benefits are already being identified from management sharing as it provides a broader experience to tackling similar issues. An example that is opportune at this time is the possibility of organising for members of each authority's Audit Committee an opportunity to meet and share development and learning.

5.0 FINANCIAL IMPLICATIONS:

5.1 There is fee income earned through this Service Level Agreement.

6.0 EQUALITY & DIVERSITY AND ENVIRONMENTAL MATTERS:

6.1 No equality and diversity or environmental matters are directly associated with this report.

7.0 CRIME & DISORDER IMPLICATIONS:

7.1 There are no direct crime and disorder implications arising from this report.

8 RECOMMENDATION

8.1 Members are asked to note the position with regard to arrangements for sharing the role of Internal Audit Manger with District Councils in Dorset.

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