



Brent

Audit Committee
5 January 2016

**Report from the Chief Finance
Officer**

For Information

Wards Affected:
ALL

Strategic Internal Audit Partner Procurement

1. Summary

- 1.1 Further to the previous report to the Audit Committee on 16 September 2015, this report provides an update on the status of the procurement exercise currently being undertaken by the LB Ealing to identify and appoint a Strategic Internal Audit Partner for the Shared Service.

2. Recommendations

- 2.1. That the Audit Committee notes the progress being made with regards to the procurement of a Strategic Internal Audit Partner by the Shared Service.

3. Detail

- 3.1. The Audit Committee will note that currently the Internal Audit service model delivered to Brent is based on a mix of in-house provision, with the majority of internal audit input delivered by an outsourced provider. This arrangement is also the same service delivery model found at the London Boroughs of Hounslow and Ealing.
- 3.2. This arrangement has been in place for a significant period of time, with the current outsourced provider, delivering services under the framework contract arrangement by Croydon Council in 2011. The creation of the Audit & Investigations Shared Service has however provides the opportunity to consolidate this arrangement into a single contract between LB Ealing and the Strategic Internal Audit Partner for the delivery of services across the organisations supported by the shared service, rather than continuing with the existing position of three individuals currently being in place.
- 3.3. The key driver for the procurement is to deliver improvements in the overall effectiveness of the internal audit services delivered including the introduction of innovation in the internal audit techniques employed, whilst also maximising the use of technology and IT solutions to deliver wider levels of assurance wherever possible. An example of where IT techniques could be used includes the use of techniques such as 'continuous audit solutions. This specific technique can be deployed across key financial system audits, to provide 100% real time sampling and reporting to promote compliance with key controls.

3.4. In order to promote and ensure the success of this procurement, a 'Procurement Supplier Day' was held in August 2015, in order to explain to potential suppliers the requirements of the shared service with regards to the services and service standards expected. A representative from Brent attended this day and formed part of the presentation panel, which was attended by nine potential suppliers.

3.5. The current status of the procurement is that, a single stage procurement exercise is being completed and Invitations to Tender were issued during week commencing 20th December 2015. Tenders are due to be returned for evaluation at the end of January 2016. Supplier presentations will be held during February 2016, leading to the appointment of the successful supplier by the end of March 2016. The committee will note that the evaluation panel is comprised of senior representatives from Ealing, Brent and Hounslow.

4. Financial Implications

4.1. The current value of fees paid in respect of the Internal Audit services provided by Mazars, under the Croydon Council framework totals £192,000. These costs are currently covered by the existing Internal Audit budget.

5. Legal Implications

5.1. None

6. Diversity Implications

6.1. None

7. Background Papers

7.1. None

8. Contact Officer Details

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