

# **Audit Committee** 22 September 2016

## Report from the Chief Finance Officer

For Information Wards Affected:

### **Shared service update**

#### 1. Summary

- 1.1 Members will be aware that the council entered into a shared services arrangement for delivery of its internal audit service in October 2015. The arrangement is hosted by the London Borough of Ealing, who also jointly provide audit service to the London Borough of Hounslow.
- 1.2 Since then the committee have been kept apprised of the development of the shared service, as well as the normal and routine progress reports against the audit plan. In particular, Members will be aware that a new contract was let across the three boroughs, with PwC being awarded the contract, which is now being delivered.
- 1.3 However, Steve Tinkler, the head of the shared audit service, has recently left to pursue other opportunities. As an interim measure Brent has appointed Vanessa Bateman, who will be attending the meeting, to manage the Brent part of the engagement. This will allow officers to conduct a brief review of the effectiveness of the shared service.
- 1.4 It was always envisaged that this review would be conducted after the service had operated for about a year. This is normal management practice with any new arrangement, to ensure that the benefits envisaged are being delivered and to address any issues that may have arisen.
- 1.5 It is intended that the results of the review are reported to the next meeting of the audit committee in order to determine the way forward. As with any review, the results are not pre-determined, although clearly the council could, broadly speaking, decide either to:
  - Continue with the shared service arrangement in its current form;
  - Continue with the shared service arrangement but with modifications in order to secure better outcomes; or

• End the arrangement and revert to the previous service configuration (or a variation of this).

#### 2. Recommendations

2.1. That the Audit Committee notes the proposed review and comment as appropriate.

### 3. Financial Implications

- 4.1. There are no specific financial implications associated with this report as the review can be carried out within existing resources. The financial implications will be taken into account in considering the conclusions of the proposed review.
- 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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