

**Audit and Governance Committee**  
**20 March 2015****10. INTERNAL AUDIT COMMISSIONING UPDATE****Recommendation**

1. **The Chief Financial Officer recommends that the content of the Internal Audit Commissioning update report is noted.**

**Summary**

2. Members will recall that it was agreed at the meeting on 12 December 2014 that the Committee would be kept informed of the Commissioning arrangements for the Internal Audit function at this meeting. (Minute no. 330 refers).
3. A verbal update at the meeting explained that a number of options had been considered and that discussions were ongoing with a view to transferring Worcestershire County Council's Internal Audit Service to Warwickshire County Council.
4. A Business Case has been written which shows the main options and consequences of setting up a shared service hosted by Warwickshire County Council. There are financial advantages to both Councils and the suggested approach would mean that a lot more can be achieved than simply rationalising resources and reducing costs. An innovative partnership would open up opportunities for adding value, increased efficiency and service improvement for both authorities whilst providing a good foundation for marketing services to other local authorities and the wider public sector.
5. Both councils are in the process of agreeing a set of underlying commercial principles which cover a number of areas including contract period, level of audit coverage, payments, TUPE and the sharing of costs.
6. It is intended that both the business case and underlying principles will be agreed at officer level prior to obtaining member approval within both Council's.
7. It is emphasised that the proposal needs to be formally agreed by both Councils before the shared service can be confirmed. Warwickshire will formally consider the proposal at their 24 March Council meeting. Worcestershire anticipates the decision would be taken by the relevant Cabinet member under delegated powers and consequently there is more flexibility over timing of the approval at Worcestershire.
8. Following approval at officer level it is intended to start a

formal staff consultation process early in March 2015.

9. It is intended that once appropriate due diligence and staff consultation is complete and formal approval is obtained that the new arrangements will commence on 1 May 2015.

10. A verbal update will be provided at the meeting on the latest position regarding the above stages of the Commissioning process.

## **Contact Points**

### **Specific Contact Points**

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## **List of Background Papers**

In the opinion of the proper officer (in this case the Chief Financial Officer) the following are the background papers relating to the subject matter of this report:

The agenda papers and Minutes of the Audit and Governance Committee meeting on 12 December 2014.