

AUDIT AND GOVERNANCE COMMITTEE

14 DECEMBER 2018

UPDATE ON INTERNAL AUDIT TRANSFER

Recommendations

- 1. To note the update on the position of Internal Audit services transferring back in-house, and to receive updates at future meetings on progress.**

Background

2. Members will recall that at the last Audit and Governance Committee meeting councillors were informed that the County Council's Internal Audit (IA) Service currently provided by Warwickshire County Council (WarCC) would be transferring back in-house from 1 April 2019. The Committee asked for an update at the next Committee, this report provides that.

Progress to date

3. The transfer in-house is split into three key tasks:
 - I. The Transfer of Undertakings (Protection of Employment) TUPE of staff;
 - II. The sourcing and implementation of new audit recording and reporting software; and
 - III. The preparation of the 2019/20 IA Plan.

The following paragraphs provide the Committee with progress against each of these components.

- TUPE

4. Both Council's Human Resource teams are in contact and agreeing the TUPE list and terms of transfer. This is at a progressed stage and staff affected informed and being consulted. It is hoped that this phase will be completed before Christmas 2018.

5. Worcestershire County Council has arranged a secondment internally with then Finance Team to manage both the transition and oversee the other programmes of work (software and planning). This will include liaising with the Team over preparation to transfer back.

- Software

6. The Audit systems used by Warwickshire CC is not transferrable and therefore the recording and reporting of IA work will need to be addressed. There are a number of options – build in house, use a simple filing system and spreadsheet arrangement, or buy. It has been agreed to procure a system and software package and a specification and tender is in progress of going to market. The timetable is for an

package to be selected in early January 2019. This will allow sufficient time to install and train. It is however expected that sometime in the 2019/20 Audit Plan will be needed for transfer of files and administration.

- **IA Plan 2019/20**

7. The Seconded member of the Finance Team, along with the current lead for Worcestershire CC's IA service will lead the planning process. They have meetings booked in with senior officers of the Council over the next 10 weeks. In addition, as no IT audit provision is transferring back, support on IT audit planning has been secured from Worcestershire Share IA Services (the Districts combined IA service).

8. As a result it is expected that an Audit Plan for 2019/20 will be presented for consideration to this Committee in March 2019, as planned.

Contact Points

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Background Papers

In the opinion of the proper officer (in this case the Chief Financial Officer) there are no background papers relating to the subject matter of this report.