


<b>Report of</b>	<b>Assistant Chief Executive</b>	<b>Author</b>	<b>Hayley McGrath</b>
<b>Title</b>	<b>Internal Audit Contract Tender</b>		 <b>508902</b>
<b>Wards affected</b>	Not applicable		

**This report concerns a tender for the provision of internal audit services.**

## **1. Decision Required**

- 1.1 To delegate to the Portfolio Holder for Resources the authority to appoint a contractor for the Council's Internal Audit service to commence from 1 April 2016.

## **2. Reasons for Decision**

- 2.1 The Internal Audit contract is due to expire on 31 March 2016 and it is therefore necessary to carry out a tender exercise to procure a new contract.
- 2.2 The tender evaluation process will not be completed prior to the Cabinet meeting on 25 November and the next Cabinet meeting after that is 27 January 2016. However a decision will need to be made by the end of December 2015, to allow for any handover period required.
- 2.3 Based on the current value it is not envisaged that the award of the contract will constitute a key decision. However it is felt appropriate to seek prior approval for authority to be delegated to the Portfolio Holder for Resources as there is the potential for the costs to increase or the length of the contract to be extended, which may result in the value increasing above the key decision threshold.

## **3. Alternative Options**

- 3.1 Delay the decision to appoint the contractor until the Cabinet meeting in January 2016, which would result in the appointment not being confirmed until February 2016.
- 3.2 If there is a change in contractor this will result in a shortened handover period where it may not be possible to ensure that the full Internal Audit programme is in place from 1 April 2016.

## **4. Supporting Information**

- 4.1 The Council has procured the Internal Audit function from external contractors since 1996. The current contract has been in place since 2011 and was originally supplied by Deloitte, whose public sector business was sold to Mazars in January 2014.

- 4.2 Alternative options for the contract have been considered, including bringing the service back in house and shared services, however it is felt that the provision of the service by an external contractor is still the most suitable arrangement. The benefits of the arrangement include access to high levels of expertise in specialist fields, knowledge of best practice in the public sector, continuity of service and clear cost structure.
- 4.3 The Crown Commercial Service, ConsutancyONE, framework is being used for the tender exercise. There are ten suppliers on the list, including the Council's current one, and all will be invited to submit bids.
- 4.4 The contract will run for a minimum period of three years with the option to extend for a further two.

## **5. Proposal**

- 5.1 To delegate to the Portfolio Holder for Resources the authority to appoint the contractor for the Council's Internal Audit service from 1 April 2016.

## **6. Strategic Plan References**

- 6.1 The internal audit programme reflects the key risks to the Council's business and the audit plan is drawn up with due regard to the identified strategic objectives. Therefore the audit process supports the achievement of the strategic plan.

## **7. Risk Management References**

- 7.1 The failure to adequately identify and manage system control issues may have an effect on the ability of the Council to achieve its objectives and operate effectively.

## **8. Other Standard References**

- 8.1 There are no direct publicity or consultation considerations; or financial; equality, diversity and human rights; community safety or health and safety implications, as a result of this report.