

<b>Report of</b>	<b>Assistant Director of Corporate &amp; Improvement Services</b>	<b>Author</b>	<b>Hayley McGrath</b>
<b>Title</b>	<b>Tender of Internal Audit Contract</b>		<b>☎ 508902</b>
<b>Wards affected</b>	Not applicable		

## **1. Executive Summary**

- 1.1 The current supplier of the Council's Internal Audit service has indicated that they no longer wish to provide the service after 31 March 2020, and it is therefore necessary to carry out a tender exercise to procure a new contract.
- 1.2 A procurement framework agreement will be used to source a new contract, however due to the timescales involved there will not be an opportunity to present a report to Cabinet, seeking approval for the appointment of a supplier, before the new contract is due to commence.
- 1.3 Therefore, the appointment of the supplier will need to be made as a Portfolio Holder decision.

## **2. Recommended Decision**

- 2.1 To delegate to the Portfolio Holder for Business and Resources, the authority to appoint a contractor for the Council's Internal Audit service following a procurement exercise.

## **3. Reason for Recommended Decision**

- 3.1 The value of the current contract falls below the threshold for a key decision. However, it is anticipated that there may be an increase in the contract cost, taking it over the threshold. Therefore, it is felt appropriate to seek prior approval for the authority to be delegated to the Portfolio Holder for Business and Resources.

## **4. Alternative Options**

- 4.1 Delay the decision to appoint the contractor until the Cabinet meeting on 11 March 2020, which would result in the appointment not being confirmed until 25 March 2020.
- 4.2 If there is a change in supplier this will result in a shortened handover period and it may not be possible to ensure that the full Internal Audit programme is in place for the 01 April 2020.

## **5. Background Information**

- 5.1 The Council entered into a contract for Internal Audit services with the current provider in April 2016, for a period of three years, with an option to extend for a further two. The Council is currently in the first year of the extension, which expires on 31 March 2020.
- 5.2 The Council notified the supplier that they wished to continue the contract for the second year of the extension from 01 April 2020, in December 2019.
- 5.3 However, the supplier has stated that they do not wish to continue to provide the service after 31 March 2020. Consequently, the Council needs to procure a new supplier for its Internal Audit service from 01 April 2020.
- 5.4 The tender documentation is due to be sent out to prospective suppliers by 24 January 2020, and a decision about the preferred supplier will be made by 02 March 2020, to enable a contract start date of 01 April 2020.
- 5.5 Due to the timetable of Cabinet's meetings and in order to enable the contract process to be completed for a start date of 01 April 2020, it is proposed that the Portfolio Holder for Business and Resources be given delegated authority to appoint the supplier for the Council's Internal Audit Service.

## **6. Equality, Diversity and Human Rights implications**

- 6.1 There are no equality, diversity or Human Rights implications as a result of this report.

## **7. Strategic Plan References**

- 7.1 The Internal Audit process supports the objectives of the strategic plan and the audit programme is set with due regard to the identified key strategic risks. Therefore, if an Internal Audit supplier is not appointed it could impact on the effective delivery of the strategic plan.

## **8. Financial Implications**

- 8.1 There is an existing budget for the internal audit contract, and this may need to be reviewed in the event of an increase in contract cost following the procurement.

## **9. Risk Management Implications**

- 9.1 The failure to appoint a supplier may have an effect on the ability of the Council to achieve its objectives and operate effectively.

## **10. Environmental and Sustainability Implications**

- 10.1 There are no environmental or sustainability implications as a result of this report.

## **11. Other Standard References**

- 11.1 There are no consultation, publicity, community safety or health and safety implications.