

REVIEW AND TENDERING – INTERNAL AUDIT SERVICES

SUMMARY

1. This report recommends the commencement of a tender process to secure Internal Audit Services for a three year period (with the option of a two year extension) from 1 April 2014.

RECOMMENDATIONS

2. That the Authority approves the procurement of internal audit services as outlined in this report.

TENDER – INTERNAL AUDIT SERVICES

3. Members will be aware that the current internal audit service has been delivered by HW Controls & Assurance since 1 April 2011.
4. Internal audit services have been procured previously on a three year contract basis. As such, it is proposed to continue this approach and go out to tender for internal audit services in readiness for 1 April 2014.
5. In terms of focus and evaluation of internal audit, then it is suggested this would comprise:
 - (1) Price/quality assessment of internal audit work that will be undertaken on the Authority's core fundamental systems, e.g. Payroll, Payables, Pensions and Receivables.
 - (2) Price/quality assessment of work that may be requested in relation to strategic reviews, e.g. strategic plan, efficiency programme.
6. As a minimum the work included in (1) above would be undertaken to give the S.151 Officer and Monitoring Officer assurance on the systems of internal control.
7. The work under (2) above would then be called upon as necessary, informed in part by the Strategic Risk/Opportunity Register. A key element of this would be relevant experience of field auditors, knowledge of the sector and the ability to bring added value, for example good practice and perhaps indicative benchmarking.

8. A broad timetable for the tender would be as follows, subject to Authority approval:-

Stage	Description	Date
Stage 1	Develop a detailed timetable for the tender process	By mid-October 2013
Stage 2	European advert of the tender	By end October 2013
Stage 3	Distribute tender documents and await responses	By mid-December 2013
Stage 4	Evaluation Panel meets to assess tenders	By mid-January 2014
Stage 5	Governance, Audit and Scrutiny Committee and Fire Authority	February 2014

9. It is proposed that the Evaluation Panel consists of:-

- The Chair of Governance, Audit and Scrutiny Committee
- Chair or Vice Chair of the Fire Authority
- The Chief Fire Officer/Chief Executive (or nominee)
- The Director of Finance & Assets/S.151 Officer
- The Secretary/Director of People
- Up to 3 further Member nominations by the Group Secretaries

10. The Governance, Audit and Scrutiny Committee did question whether they should scrutinise the process or have membership of the panel. Given the role of internal audit and the role of the Committee, for this particular appointment it would be entirely appropriate to have Governance, Audit and Scrutiny involvement.

STRATEGIC PLAN COMPATIBILITY

11. An effective internal audit service helps to support strategic planning.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

12. This report reflects the Authority's commitment to undertaking a robust competitive process to secure an Internal Audit Service over a minimum of the next three years. An Internal Audit function is an essential requirement for the Authority, the S.151 Officer and the Monitoring Officer to discharge their statutory responsibilities.

LEGAL IMPLICATIONS

13. The S.151 Officer and Monitoring Officer must ensure that an adequate internal audit provision is in place to give assurance on the Authority's systems of internal control.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

14. No direct issues arising.

CORPORATE RISK MANAGEMENT IMPLICATIONS

15. Internal Audit is a key factor in giving confidence in an Authority's control and risk management arrangements.

HEALTH AND SAFETY IMPLICATIONS

16. No direct issues arising.

COMMUNICATION ACTIONS ARISING

17. No direct issues arising.

DETAILS OF CONSULTATION

18. Corporate Management Team.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

19. None.

RECOMMENDATIONS RESTATED

20. That the Authority approves the procurement of internal audit services as outlined in this report.

**R GRAHAM
K WILSON**

Officer Contact: Robin Graham ☎ 01482 567443
Secretary and Director of People

Kevin Wilson ☎ 01482 567183
Director of Finance & Assets/S.151 Officer

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

RG/SJ
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