

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Audit and Corporate Governance Committee

**DATE:** 1 March 2022

**CHIEF OFFICER:** Steven Mair

**CONTACT OFFICER:** Clare Priest

**WARD(S):** All

**APPENDICES:** None.

### **PART I** **FOR DECISION**

#### **INTERNAL AUDIT OPTIONS APPRAISAL AND IMPLEMENTATION TIMETABLE**

##### **1 Summary and Recommendations**

- 1.1 At the meeting of the Audit and Corporate Governance Committee on 9 December 2021 a report was received outlining various options for the future provision of internal audit services. The report is referred to as a background paper. The Committee and the Lead Commissioner reviewed the report and accepted its contents in principle. Option E was discussed subject to the provision of a detailed timeline for recruitment and implementation.
- 1.2 Action 14 in the minutes of the meeting requested the report come back to the Committee with the proposed timeline for implementation. The timeline for establishing an in-house team is shown in table A below. It is expected that the recruitment will take place alongside a wider re-structure of the department for which HR and external support will be required. A separate piece of work is being undertaken in respect of the Departmental re-structure. Job descriptions and related documentation for Internal Audit posts have already been developed and will be deployed subject to external evaluation and acceptance of the recommendation.

**Table A – Timeline for Implementation of IA Options Appraisal**

Action	Date	Who
Review of IA Options Report	9 December 2021	Audit and Corporate Governance Committee
Approval of Audit and Corporate Governance Committee recommendation to accept Option E and the associated timeline	1 March 2022	Audit and Corporate Governance Committee
Ratification and Approval of Audit and Corporate Governance Committee recommendation	9 March 2022	Cabinet
Cabinet Report on extension of current IA provider for 2022/23	9 March 2022	Interim Financial Adviser – Cabinet Report <i>(report drafted)</i>
Agreement and evaluation of Job Description, person specifications and consultation	By 31 March 2022	Independent Financial Adviser and HR <i>(NB: JD's and task lists already drafted for evaluation and consultation)</i>
Recruitment of Internal Audit In-House team alongside wider Departmental Re-structure	1 April – 1 October 2022	Interim Financial Adviser with input from HR and CIPFA.
Recruitment of Internal Audit Team with specialist support from CIPFA Penna if required	1 April – 29 July 2022	HR with support from CIPFA Penna <i>(NB: indicative proposal from CIPFA already received if required)</i>
Advertisement of roles	Closing date 28 April 2022	HR with support from Department
Applicant Review and Invites to Interview	By 6 May	HR with support from Department
First Phase Interviews	By 13 May	HR with support
Assessment Centres	w/c 23 May	HR with support from Department
Offers Made	By 7 June	HR
Successful Candidates informed and employed	From Mid-June – September 2022	HR

- 1.3 In addition, Members are asked to note that the current internal audit contract expires on 31 March 2022 and will leave the Council without an Internal Audit service – a statutory requirement for the section151 Officer. A separate report has been drafted for Cabinet requesting a one-year extension of the current contract with RSM (with the potential for a further year if required) to enable the council to comply with its requirements for maintaining an internal audit service for 2022/23 and to allow for the transition to the arrangements outlined in Option E. The extension report is due to go to Cabinet on 9 March 2022.
- 1.4 It is considered that this course of action provides a cost-effective route to procure essential internal audit services at a very challenging time for the Council and will provide on-going assurance for members as to the adequacy of the Council's governance, risk management and internal control systems. The arrangement will be

set up in such a way that future flexibility is maintained should recruitment of an in-house team not be successful.

- 1.5 An update on the recruitment of the In-House Internal Audit team will be reported to the July meeting of the future Audit and Corporate Governance Committee.

## **2 Recommendations:**

**Audit and Corporate Governance Committee** is recommended to:

- 2.1 Approve Option E as the preferred option in establishing an In-House Internal Audit function.
- 2.2 Note the timetable established for the recruitment of the In-House team.
- 2.3 Note the recommendation to Cabinet requesting the extension of the Internal Audit Contract with RSM Risk Assurance Services for 1 year to cover the work needed to complete the Head of Internal Audit Opinion for 2022/23 and with an option for a further extension of 1 further year to provide flexibility should recruitment of an in-house team take longer than expected or be unsuccessful.

## **Background papers**

Agenda and minutes of Audit & Corporate Governance Committee, 9<sup>th</sup> December 2021

<https://democracy.slough.gov.uk/ieListDocuments.aspx?CId=623&MId=6741>