

SERVICE REVIEW OF INTERNAL AUDIT

1. SUMMARY

A report was agreed by the Audit Committee on 11 December 2009 which outlined the reasons for undertaking a service review of internal audit and the proposed scope and timescale of a review. On 22 January 2010, a Project Initiation Document (PID) was presented to the first meeting of the Project Board for review. Thereafter, the PID was finalised and issued to the Project Board, a copy of which is provided in Appendix 1.

2. RECOMMENDATIONS

2.1 The contents of this report are noted and are to be followed up by Internal Audit.

3. DETAILS

3.1 The main purpose of the service review of internal audit is to review the performance of internal audit in order to develop a clear strategy setting out a vision for its future role, remit and structure to meet the new challenges facing local government. It is envisaged the future operating options will include in house delivery, strategic partnership, public sector consortium/shared service and externalisation.

3.2 The attached PID sets out the approach that will be undertaken by both the Project Board and Project Team.

3.3 A timetable is outlined in the PID for the service review commencing in January 2010 with a final report detailing recommendations to the Project Board in May 2010.

3.4 Section 12 of the PID outlines the 6 stages of the service review. It can be reported that there is ongoing progress between KPMG and Internal Audit on the first 2 stages of the project plan.

4. CONCLUSIONS

The final report will be submitted to the Audit Committee upon completion.

5. IMPLICATIONS

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| 5.1 | Policy: | None |
| 5.2 | Financial: | None |
| 5.3 | Personnel: | None |

5.4 Legal: None

5.5 Equal Opportunities: None

For further information please contact Ian Nisbet, Internal Audit Manager (01546 604216).

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