

## WRITTEN STATEMENT OF A KEY DECISION CABINET

<b>ITEM:</b>	<b>CHANGE OF INTERNAL AUDIT PROVIDER</b>
Members Present:	Councillors: AW Johnson (Leader), H Bramer, J Millar, PM Morgan (Deputy Leader), GJ Powell, PD Price.
Date of Decision:	10 April 2014
Exempt:	No
Confidential	No
This is a key decision because It is likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.	
A notice was served in accordance with Part 3, Section 10 (General Exception) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.	
Urgency/Special Urgency: (As defined in Constitution)	No
Purpose:	To agree future service delivery arrangements.
<b>Decision:</b>	<p><b>THAT:</b></p> <p>(a) <b>The South West Audit Partnership (SWAP) is selected to provide the council's internal audit service;</b></p> <p>(b) <b>The Chief Financial Officer is delegated authority to finalise contractual arrangements including a TUPE transfer of staff within the approved annual budget;</b></p> <p>(c) <b>The council join SWAP and become part owners of the local authority owned company at zero cost – subject to approval by the SWAP Board; and</b></p> <p>(d) <b>The Chief Financial Officer is delegated authority to be the council's representative on the SWAP board and to exercise the council's vote at shareholder meetings.</b></p>
Reasons for the Decision:	The recommended provider has a proven track record of delivering quality internal audit services to 12 local councils, including Wiltshire and the Forest of Dean on a not for profit basis within the reduced budget for the service approved by Full Council on 7 February 2014. It was selected following a soft

	<p>market testing exercise which considered both private and public sector providers as well as partnering opportunities. SWAP represented the best value for money and greatest resilience for the council as well as the option to be flexible going forward if the needs of the council changes. The council is keen to look at ways of working in partnership with other organisations to provide back office services more effectively. This proposal is a clear example of working with colleagues from other councils to achieve this.</p>
<p>Options Considered:</p>	<p>1      Remain with our current provider, KPMG. This would have had the advantage of less disruption but would be outweighed by not achieving the proposed budget savings or having less audit input. The service would in any event require re-procuring prior to the expiry of the contract on 31.3.15.</p> <p>2      Bring the function back in-house. The number of audit days could have been maintained within the proposed budget but given the size of the team would not have given the required capacity and resilience (i.e. cover for sickness, vacancies and ability to respond to urgent requests for support etc) or the range of skills and access to specialists.</p>
<p>Conflict of Interest ■ (See below):</p>	
<p>Date the key decision is due to take effect:</p>	<p>16 April 2014</p>

<p><b>COUNCILLOR AW JOHNSON</b> .....Date: 10 April 2014  <b>LEADER OF THE COUNCIL</b></p>
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■ a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;

And

■ in respect of any declared conflict of interest, a note of dispensation granted by the relevant local authority’s head of paid service.