

**ANGUS COUNCIL**

**SCRUTINY AND AUDIT COMMITTEE – 13 JUNE 2013**

**SCRUTINY AND AUDIT SUPPORT ARRANGEMENTS**

**REPORT BY SERVICE MANAGER - GOVERNANCE**

**ABSTRACT**

This report outlines the revised support arrangements for the work of the Scrutiny and Audit Committee including revised reporting arrangements in relation to the Internal Audit Service.

**1 RECOMMENDATION**

The Committee agree:-

- (i) The Service Manager – Governance will be the main officer support for the scrutiny and scrutiny review elements of the work of the committee
- (ii) The Audit Manager will be the functional report to this committee for all internal audit core assurance matters.

**2 BACKGROUND**

As part of the management restructuring the Chief Internal Auditor was matched into the post of Service Manager – Governance in the Chief Executive's Unit. The expanded role attached to this post includes responsibility for the following areas:

- Governance and assurance
- Scrutiny committee support
- Scrutiny review process support
- Risk Management
- Internal Audit

**3 INTERNAL AUDIT REPORTING ARRANGEMENTS**

Given the expanded role outlined above, it is obvious that the Service Manager – Governance would not be in a position to provide an independent opinion on the corporate governance and risk management arrangements of the council, which is a core requirement of the work of internal audit.

To address this, and to conform with the Public Sector Internal Audit Standards, the current co-sourcing arrangement is to be revised to bring in a part-time Audit Manager. As with the current arrangement, the Audit Manager, whilst employed by our co-source partner Scott-Moncrieff, will be an integral part of the internal audit team and will, indeed, lead the internal audit team in terms of audit planning, delivery and reporting. This role will be responsible for providing a full independent core assurance internal audit service to the Council and will report functionally to the Committee in the discharge of these responsibilities. Contract Management reporting will be to the Service Manager – Governance and the Audit Manager will have open and unrestricted reporting to the Chief Executive and this Committee. This role will provide the annual report and opinion on the council's governance, risk and internal control arrangements previously provided by the Chief Internal Auditor.

The current co-source contract will be extended for one year (per report 728/11) and varied to reflect the Audit Manager role in addition to any specialist support within the original contract and continuing arrangements thereafter will be brought back to this committee.

The Service Manager – Governance will continue to lead on the consultancy elements of the audit plan to ensure synergies between this, the scrutiny review process and the transforming angus agenda.

#### **4 FINANCIAL IMPLICATION**

The costs of the current co-source arrangement is £40,000 p.a. and the revised co-source arrangement will cost £50,000 p.a. This additional cost will be contained within the current Internal Audit staffing budget, funded from vacant posts.

#### **5 HUMAN RIGHTS IMPLICATIONS**

There are no human rights implications associated with this report.

#### **6 EQUALITIES IMPLICATIONS**

The issues contained within this report fall within an approved category that has been confirmed as exempt from an equalities perspective.

#### **7 CONSULTATION**

The Chief Executive, Strategic Directors of Resources, People and Communities, Head of Finance and Head of Law and Administration have been consulted on the terms of this report.

**JANINE WILSON  
SERVICE MANAGER - GOVERNANCE**

**NOTE** No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.