

Report to: Governance and Audit Committee

Date: 1 November 2018

Subject: **Delivery of Internal Audit Function**

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1. Purpose of this report

- 1.1 To provide the Combined Authority with an update of the progress made in implementing the preferred option for the provision of Internal Audit services.

2. Information

- 2.1 A report was provided to the July 2018 meeting of the Committee which included information relating to the outcome of a market testing exercise conducted for the provision of internal audit. This report also identified a preferred model for the delivery of the service and subsequent requirements for the development of the internal team structure. The Committee requested that work be progressed on the preferred model and a report on the final structure be brought to the next meeting, subject to the processes and requirements of the Combined Authority's organisational development programme.
- 2.2 Since this meeting a business case has been completed and role profiles developed for posts within the new structure. There is still a requirement for these role profiles to be evaluated by a grading panel and this is scheduled for November 2018. Once this is complete, a report will be provided to the Combined Authority's Leadership Team Board requesting the implementation of the new structure and commencement of the management of change process.
- 2.3 A fully costed structure will be provided to the January 2019 meeting of this committee for final consideration and approval. At this stage it is envisaged that the structure will consist of the Head of Internal Audit, a principal auditor, two auditors and an allowance for buying in specialist advice.
- 2.4 It is anticipated that the new delivery model will be operational before the commencement of the 2019/20 Audit Plan.

3. Financial Implications

- 3.1 There are no financial implications directly arising from this report. The costs of the revised structure will be identified following the evaluation of the posts and will be factored into the 2019/20 budget.

4. Legal Implications

- 4.1 There are no legal implications directly arising from this report.

5. Staffing Implications

- 5.1 The revised structure will be implemented following the management of change procedure. Consultation will take place with the recognised trade unions and staff affected.

6. External Consultees

- 6.1 No external consultations have been undertaken.

7. Recommendations

- 7.1 That this report be noted.

8. Background Documents

- 8.1 None.

9. Appendices

- 9.1 None