

# POLICY RESOURCES AND FINANCE COMMITTEE REPORT



Meeting Date: 1 August 2023

## Agenda Item: 11

<b>Subject:</b>	Review of Internal Audit
<b>Prepared by:</b>	Nicola Gray, Town Clerk & RFO
<b>Purpose of Report:</b>	To consider the quotes received in respect of Internal Auditors and agree a way forward.
<b>Background:</b>	<p>The current Internal Auditor has been appointed for several years and was last considered in 2021, when the Council agreed to continue for a further 5 years.</p> <p>The Committee considered at its last meeting:</p> <p><b>PRF11/23 Internal Auditor Review</b></p> <p><i>The Committee considered the possible need to look at a change of Internal Auditor to enable a fresh pair of eyes to look at the Council's processes, procedures and finance. It was considered that the Council was in a very different place to what it was a few years ago, and it was healthy to have a change of auditor every so often.</i></p> <p><i>It was <b>RESOLVED</b> that the Clerk investigate costs and availability of alternative Internal Auditors to be considered at the next meeting, whereby a decision would be made as to whether a new Internal Auditor be appointed for 2023/24 or not.</i></p>
<b>Key Points:</b>	<p>Six Internal Auditors who cover Dorset were approached for quotes.</p> <ol style="list-style-type: none"> <li>1) Current Auditor costs approximately £1,750 per Annum depending on length of visits and work carried out after visits.</li> <li>2) Experience of similar sized Councils with similar income and expenditure streams = £1,400 (No VAT applicable). This allows extra time in the first year of a council, but if it's not needed, the billing time is saved for email support to avoid additional charging.</li> <li>3) Would not quote as only audits Councils with less the £200,000 budget.</li> <li>4) £885 +VAT + Mileage</li> <li>5) Conversation with this auditor will take place on the day of the meeting, so a verbal update on their quote will be given.</li> <li>6) No response from the sixth auditor.</li> </ol> <p>The Clerk has not had the benefit of a complete financial year with the current auditor, and nor has a year been completed on the new system.</p>



<b>Implications</b>	<p>The current Internal Auditor has indicated that she is content to leave the contract if enough notice is given to enable her to find a replacement Council.</p> <p>The budget for internal audit services is £1,300 for the 2023/24 financial year. The Clerk spoke with a number of other Clerks to establish what the average rate was for a similar sized Council, and it was considered around £1,200 was a fair fee where some work by the auditor was required.</p>
<b>Recommendation</b>	<p>To consider the quotes and decide if a new Internal Auditor be engaged or not for the 2023/24 financial year.</p>