

**Report to the Meeting of Shaftesbury Town Council's
General Management Committee
to be held at 7.00pm on Tuesday 19th January 2016
in the Council Chamber, Town Hall, High Street, Shaftesbury**

APPOINTMENT OF INTERNAL AUDITOR

1. Purpose of Report

To consider appointing an Internal Auditor for an initial period of three years with effect from 2016/17 for recommendation to Full Council at its meeting on 26th January 2016.

2. Recommendation

- 2.1 That the Council appoints Do the Numbers as its Internal Auditor for a three year period with effect from 2016/17 financial year.
- 2.2 That the contract with the present Internal Auditor be terminated with regard to 2015/16 financial year, and Do the Numbers appointed.

3. Background

- 3.1. The Council is required to appoint an Internal Auditor for 2016/17.
- 3.2. Quotations were sought from four local government internal audit providers, including the current auditor, and a selection panel appointed by the General Management Committee at its meeting on 24th November 2015.
- 3.3. Three quotations were submitted, and the selection panel carried out interviews on 7th and 14th January 2016. Candidates were evaluated and scored by each member of the panel against nine standard questions.
- 3.4. The interview panel established that all three applicants were competent to undertake the roll, but Do the Numbers was unanimously identified as their preference. The panel recommends that a contract be issued for an initial three year period.
- 3.5. The panel was concerned that the Council's Accounts had been qualified for two years and was sufficiently impressed by Do the Numbers experience in recommending controls and other mitigating actions for its other clients as to further recommend that Do the Numbers be invited to complete the Internal Audit for 2015/16 – without wishing to imply any doubt as to the ability and competence of the existing Internal Auditor

4. Financial Implications

- 4.1. The contract for 2016/17 will impact on the Legal and Professional - Audit budgetline for 2016/17. Switching contract for the remainder of 2015/16 will result in additional cost for 2015/16.
- 4.2. The present internal auditor advises that because she has billed for her work up to the last Audit visit, her charges for closing down would cover only work undertaken providing advice since the last visit and she estimates £65 - £100 + VAT. If the new Internal Auditor wishes to make use of the present Internal Auditors first two reports (rather than start from scratch), there would be an additional charge yet to be determined.

5. Legal Implications

Audit Commission Act 1998 and the Code of Audit Practice - Local Government (2010)

(End)

Stephen Holley
Town Clerk and Responsible Financial Officer: