



DISS TOWN COUNCIL

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Report to:	Full Council
Date of Meeting:	18/03/2020
Authorship:	RFO
Subject:	Internal Auditor Appointment

Introduction

1. Assertion 6 section 1.34 of the JPAG guide to proper practices (March 2019) in relation to the internal audit, state that "The authority needs to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account internal auditing guidance for smaller authorities."
2. The conclusion from the last auditor review report was that councils are required by law to appoint an independent, competent internal auditor and to periodically review the appointment a minimum of every five years (LAAA 2014 Part 3 Sect 7). The Council must determine the scope of the appointment and ensure it has adequate and effective internal controls.
3. Auditing Solutions Ltd was appointed on a one year contract in September 2014, part way through the financial year, following issues with the previous internal auditor. The council has worked with several auditors in the past 5 years and following the retirement of our last auditor a new auditor has been proposed by Auditing Solutions.
4. The reports received from Auditing Solutions Ltd as part of their internal audit work have been thorough and comprehensive, reassuring the Council that it has adequate and effective systems of internal control and sound financial management in place. Research has shown that other Clerks have recommended Auditing Solutions.
5. Quotations have been received from three providers for biannual internal audits following receipt of the Council's most recent internal audit report.

Review

6. Auditing solutions quote is shown to provide sufficient controls and measures to effectively undertake the internal audit, as an existing supplier no additional time would be required to determine the scope of the appointment. The annual cost for this service is within budget. (Appendix A).
7. MHA Larking Gowen quote is shown to provide a more robust and thorough service based on an assessment of risks. The service would be provided by two specialist internal auditors and there is an option to receive a detailed narrative traffic light report at year end. The annual cost for this service is 73% over budget. (Appendix B).
8. Roger Canwell was recommended by Norfolk Parish Training and Support, the cost for this service would be £240 per year which is comfortably under budget. As a new supplier additional time and consideration would be required to determine the scope of the appointment and ensure it has adequate and effective internal controls. (Appendix C).

Additional Information

9. The internal review checklist has been reviewed and updated to reflect past years internal auditor recommendations, (Appendix D).

Recommendation

To re-appoint Auditing Solutions Ltd to undertake Diss Town Council's internal audit until 2023.