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| <b>Audit Committee</b> | <b>Wednesday, 22<br/>January 2025</b> | <b>Matter for Decision</b> |
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**Report Title:**

**Appointment of Internal Auditors**

**Report Author(s):**

**Colleen Warren (Chief Finance Officer / Section 151)**

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| <b>Purpose of Report:</b>   | To appoint new Internal Auditors.   |
| <b>Report Summary:</b>  | To approve South West Audit Partnership as our new Internal Auditors from 1/4/2025.   |
| <b>Recommendation(s):</b>   | <b>That the recommendation as set out at paragraph 1.6 be approved.</b>   |
| <b>Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):</b> | Colleen Warren (Chief Finance Officer / Section 151)<br>(0116) 257 2759<br><a href="mailto:colleen.warren@oadby-wigston.gov.uk">colleen.warren@oadby-wigston.gov.uk</a><br><br>Laura Parsons (Finance Manager)<br>(0116) 257 2694<br><a href="mailto:laura.parsons@oadby-wigston.gov.uk">laura.parsons@oadby-wigston.gov.uk</a> |
| <b>Strategic Objectives:</b>  | Our Council (SO1)<br>Our Economy (SO3)<br>Our Partners (SO5)  |
| <b>Vision and Values:</b>   | Resourceful & Resilient (V4)  |
| <b>Report Implications:-</b>  |   |
| Legal:  | There are no implications directly arising from this report.  |
| Financial:  | The implications are as set out at paragraph 1.5 of this report.  |
| Corporate Risk Management:  | Key Supplier / Partnership Failure (CR2)<br>Decreasing Financial Resources / Increasing Financial Pressures (CR1)<br>Reputation Damage (CR4)<br>Economy / Regeneration (CR9)<br>Increased Fraud (CR10)  |
| Equalities and Equalities Assessment (EA):  | There are no implications arising from this report.<br>EA not applicable.   |
| Human Rights:   | There are no implications arising from this report.   |
| Health and Safety:  | There are no implications arising from this report.   |
| <b>Statutory Officers' Comments:-</b>   |   |
| Head of Paid Service:   | The report is satisfactory.   |
| Chief Finance Officer:  | As the author, the report is satisfactory.  |

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| Monitoring Officer:       | The report is satisfactory. |
| <b>Consultees:</b>        | None.                       |
| <b>Background Papers:</b> | None.                       |
| <b>Appendices:</b>        | None.                       |

## 1. Internal Audit Provision

- 1.1 Under the Local Government Act 1972, section 151 and the Accounts and Audit (England) Regulations 2015 (as amended), the Council has a responsibility to maintain an adequate and effective Internal Audit function. At Oadby & Wigston Borough Council, during 2022/23 this responsibility was delivered by CW Audit Services (as at April 2023 CW Audit Services merged with 360 Assurance). In responding to this requirement, the Internal Audit service works to best practice as set out in the 2017 Public Sector Internal Audit Standards, which is published by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 1.2 Following CW Audit Services merging with 360 Assurance the Council were informed of a significant increase in the cost of the audit provision. The cost was renegotiated for the service for 2024/25; however, the costs were due to increase significantly for 2025/26 onwards. The 360 Assurance contract for Internal Audit provision is due to end on the 31 March 2025.
- 1.3 Upon notification of the increase the Council undertook an exercise to see if alternative providers of the service could be found within the current cost envelope. Enquiries were made with another Leicestershire Local Authority to join their audit partnership, however due to capacity issues they were unable to offer us a partnership.
- 1.4 Further enquiries were made with other Internal Audit providers until we identified a suitable not-for-profit teckal company – SWAP. SWAP is one of the largest partnerships in England and Wales providing Internal Audit services to Local Authorities, schools, housing associations, fire and rescue and charities.
- 1.5 Discussions have been held with SWAP and they have presented to SLT who have given their approval to pursue a partnership with SWAP within our budget envelope of £93,000 pa. SWAP can offer us a partnership with them from 1<sup>st</sup> April 2025 providing us with the required number of Audit days, subject to approval by their Board of Directors. For further information please see the link to their website (<https://www.swapaudit.co.uk/>).
- 1.6 **Recommendation**
- That members approve OWBC entering into a partnership with SWAP for the provision of our Internal Audit services from 1<sup>st</sup> April 2025.