
Report To:	Inverclyde Council	Date:	5 December 2024
Report By:	Chief Financial Officer	Report No:	FIN/83/24/AP
Contact Officer:	Alan Puckrin	Contact No:	01475 712090
Subject:	Internal Audit Shared Service		

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The purpose of this report is to seek Council agreement to expand the number of shared posts within the existing Internal Audit shared service.
- 1.3 Since the last report on this matter to Council in December 2023, officers from Inverclyde and West Dunbartonshire Councils have looked into ways that resilience could be improved within the shared Internal Audit service. This report proposes that two current vacancies, one in each council, are filled on the basis of being shared posts.
- 1.4 Officers believe this proposal will improve operational resilience and also improve support to the various Audit committees operated by both Councils.
- 1.5 Discussions involving a further council regarding expansion of the shared service are continuing and it is intended that an update will be provided to elected members early in 2025.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Council agrees to expanding the number of shared Internal Audit posts as outlined in this report noting that this is subject to the proposal being agreed by West Dunbartonshire Council later this month.
- 2.2 It is recommended that the Council notes the on-going discussions at officer level with a third council regarding a potential larger Internal Audit shared service.
- 2.3 It is recommended that the Council agree that future reports concerning the Internal Audit Shared Service are considered by the Policy & Resources Committee.

Alan Puckrin
Chief Financial Officer

3.0 BACKGROUND AND CONTEXT

- 3.1 Inverclyde and West Dunbartonshire Councils have shared the post of Chief Internal Auditor (CIA) since January 2020. The intention at the time was to move towards a “deeper” sharing within the team but this has not progressed as the posts impacted were populated.
- 3.2 In December 2023 the Council agreed to continue the sharing of Internal Audit Services and agreed that a Service Level Agreement between the two councils be entered into in order to regularise the arrangement. The same report advised that the two councils were also in the early stages of discussion with other councils regarding expanding the model further to improve resilience.
- 3.3 For a sizeable part of the current financial year, the resilience of the current arrangement was tested, and the Council sought support from Glasgow City Council to ensure that the service continued, and the required governance arrangements were adhered to.
- 3.4 **Potential expansion of the current shared service**
The audit team within Inverclyde has a post of Senior Fraud Investigation Officer which has been vacant since April 2024. At the same time, West Dunbartonshire Council have a vacant qualified Internal Auditor post.
- 3.5 The shared CIA and the two Chief Financial Officers believe that filling these two roles on a shared basis would provide greater resilience in both councils by allowing greater delegation by the CIA but also improved support to the respective Audit Committees and IJB Audit Committees.
- 3.6 It is expected that there would be very little in the way of net financial implications and in the event that these arose, the Finance Service would meet these
- 3.7 Exploratory talks with another council regarding expanding the sharing of the service further have continued during 2024 and, subject to consideration by the three Chief Executives, it is intended to present a report to elected members early in 2025 on progress/options. It should be noted that the proposals in this report are not affected by this potential proposal.

4.0 PROPOSALS

- 4.1 It is proposed that the Council agrees to the sharing of two further Internal Audit posts between Inverclyde Council and West Dunbartonshire Council and note that any minor financial implications will be contained by the Finance Service.
- 4.2 It is proposed that the Council notes that officers are progressing talks with another council regarding expanding the shared service and intend to report to elected members early in 2025.
- 4.3 The proposal to share further posts also requires approval by West Dunbartonshire Council on the 18 December.
- 4.4 It is proposed that going forward, reports relating to the Internal Audit shared service are considered by the Policy & Resources Committee being the Finance Service’s strategic committee.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendations are agreed:

SUBJECT	YES	NO
Financial	x	
Legal/Risk	x	
Human Resources	x	
Strategic (Partnership Plan/Council Plan)		x
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		x
Environmental & Sustainability		x
Data Protection	x	

5.2 Finance

Any financial implications would arise from the shared cost of any grade changes from the increased responsibilities for the shared posts. These are expected to be minor and will be contained by the service.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

5.3 Legal/Risk

The draft SLA between the two councils will be amended to reflect the changes, if approved by the two councils. The proposals in this report will improve the resilience of the Internal Audit function and in return, reduce risks to the Council.

5.4 Human Resources

The Shared Senior Fraud post will be advertised as a Council post with the Shared Qualified Auditor post being advertised as a West Dunbartonshire post.

5.5 Strategic

There are no strategic implications arising from this report.

5.6 Data Protection

The information sharing protocols which exist for the shared CIA post will be applied in respect of the two new shared posts.

6.0 CONSULTATION

6.1 The existing employees and trades union within the Council have been consulted and are content with the proposals.

7.0 BACKGROUND PAPERS

7.1 None.