

Meeting: Policy Development and Decision Group (Joint Operations Team)

Date: 6 February 2017

Wards Affected: All Wards

Report Title: Extension of the Devon Audit Partnership – April 2017 to March 2024

Is the decision a key decision? No

When does the decision need to be implemented? as soon as possible

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1. Proposal and Introduction

- 1.1 Devon Audit Partnership (DAP) was created in April 2009. It originally had an agreement to run for three years, but the success of the Partnership has meant that the agreement has been extended for further periods, up to 31 March 2017.
- 1.2 The Partnership Management Board and Partnership Committee are satisfied that the Partnership continues to meet its aims and objectives, and discharges the role of Internal Audit in an effective and professional manner. Both Board and Committee have recommended that the Partnership agreement be extended for a further 7 years (April 2017 to March 2024), subject to appropriate "release" clauses to reflect the uncertainty facing public sector, and in particular public sector finances.
- 1.3 The Partnership has proved to be most successful in meeting these objectives and more recent challenges. In particular, the Partnership has delivered substantial financial savings to all partners, whilst still providing a robust, professional and reliable internal audit function that meets the requirements of the Public Sector Internal Audit Standards.
- 1.4 It is proposed that the Partnership be extended for a further 7 years (from April 2017 to March 2024) and that a Deed of Variation be agreed between the Partners to permit this.
- 1.5 This Deed of Variation recognises the continuing financial uncertainty affecting the public sector; internal audit requirements and the contribution from each Partner will be re-assessed on an annual basis to reflect each Partners' requirement.

- 1.6 The agreement expects that, by 31 December every year, an internal audit budget for each Partner Council will be agreed for the next Financial Year. The agreed budgets shall then be reported to the Management Board and thereafter submitted for approval to the February/March meeting of the Partnership. In the spirit of collaborative working, and with the purpose of trying to maintain stability and continuity of service, each Council shall use reasonable endeavours to avoid significant fluctuations and/or significant reductions in its budget between Financial Years.
- 1.7 There is financial uncertainty facing the Partnership, and this will need to be managed through continued modernisation of working practices and through effective wider partnership working.

2. Reason for Proposal

- 2.1 It is recognised that the achievement of the objectives and benefits of the Partnership to the Partnership Members is strongly linked to an effective employee base and staff skill mix from this base. The maintenance of the size of the work base is a balance supported by investment made by *external* partners; this helps maintain skill levels, supports sharing of best practice and maintains flexibility.
- 2.2 In order to continue to achieve the objectives set, Partnership management recognise that other, external partners, should be beneficial in generating income that would replace some (if not all) of the budget reductions made by the Partners. Such income generation would then allow the experienced, effective, knowledgeable and valued workforce to be retained, providing a high quality and sustainable service.
- 2.3 The Partnership agreement recognises the desire to attract new partners, and to enable new partners to join with the minimum of bureaucracy.

3. Recommendation(s) / Proposed Decision

- 3.1 That the extension of the Devon Audit Partnership for a further 7 years (April 2017 to March 2024) and a Deed of Variation be approved.

Appendices

Appendix 1: Supporting Information and Impact Assessment

Background Documents

None