

# TONBRIDGE & MALLING BOROUGH COUNCIL

## GENERAL PURPOSES COMMITTEE

28 October 2010

### Joint Report of the Director of Finance and the Central Services Director

#### Part 1- Public

#### Delegated

### 1 PARTNERSHIP WORKING – INTERNAL AUDIT

**A report advising Members of a partnership working opportunity within Internal Audit, and seeking Members' approval for an agreement with Gravesham Borough council.**

#### 1.1 Introduction

1.1.1 At the last meeting of Cabinet on 13 October, Members were updated on the latest position regarding partnership working with other Councils.

1.1.2 At that meeting, Members were reminded of the key principles that have been formulated and shaped over a period of time. These can be summarised as:

- Working together will be to maximise opportunities to deliver savings; improve service resilience; or improve service quality through joint working.
- The focus will be on cost reduction in back office areas, enhanced resilience and improvement in customer facing functions
- Focus is on local service delivery.
- The critical success factors will be based on the core premise that any shared activity must demonstrate a clear business case based on either significant customer improvement or significant efficiency improvements. There must be real benefit in any agreed strands of joint working.

1.1.3 For consistency, Management Team has agreed that all potential partnership arrangements should normally be presented to the General Purposes Committee for endorsement.

#### 1.2 Internal Audit

1.2.1 At the Audit Committee on 12 October, Members discussed a potential new partnership opportunity with Gravesham Borough Council for the delivery of

internal audit services which has arisen following the departure of the Council's Audit Manager.

- 1.2.2 The two Internal Audit Sections had already established a closer working relationship following an earlier peer review and commitment to best practice. Most of the Internal Audit provision in Kent is provided by partnerships and, although in the short-term, the required level of audit provision can be maintained there is a need to consider partnerships as a cost cutting exercise and a means of providing resilience in what are essentially small specialised sections.
- 1.2.3 Attached at **[Annex 1]** is a business case prepared by both Councils. We have agreed that the same documentation will be presented to Member at both Councils to ensure consistency. We understand that Gravesham Members will consider this proposal at a programmed meeting in November.
- 1.2.4 We intend to move towards the situation where the two audit teams are 'merged' although they remain based at their respective authorities and paid for by their existing employer.
- 1.2.5 The costs of the audit office manager at Gravesham will be shared on a 50:50 basis, and that officer will spend part of the time at Gravesham and part at TMBC. This mirrors the arrangements for the Fraud Manager (employed by Gravesham) and the Principal Revenue Officer (employed by TMBC) which have been in place for around two years.
- 1.2.6 It would be our intention to move towards an integrated work programme for the teams, but this would be done over a period of time. This will improve our resilience in the event of staff sickness/absence, and it is hoped will improve the skills pool.
- 1.2.7 We hope to commence this arrangement in December 2010.

### **1.3 Legal Implications**

- 1.3.1 Section 101 of the Local Government Act 1972 provides that two or more local authorities may discharge any of their functions jointly. Such arrangements may allow for the discharge of the joint function through officers.

### **1.4 Financial and Value for Money Considerations**

- 1.4.1 If Members are agreeable to setting up this partnership arrangement, the savings will be circa £23,000 to £25,000 per annum.

### **1.5 Risk Assessment**

- 1.5.1 The Council's insurers need to be advised of partnership working arrangements in order to cover ensure liability cover is properly in place.

**1.6 Equality Impact Assessment**

1.6.1 Not applicable.

**1.7 Policy Considerations**

1.7.1 Business Continuity/Resilience

**1.8 Recommendations**

1.8.1 It is **RECOMMENDED** that an Audit Partnership as set out above is approved and, subject to similar approval by Gravesham Borough Council, commences from 1 December 2010.

Background papers:

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Nil

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