

# RECRUITMENT OF INTERNAL AUDITOR

## AGENDA ITEM NO 4.

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**MEETING:           AUDIT SUB COMMITTEE**

**DATE:               6<sup>TH</sup> APRIL 2011**

**REPORT BY:       FINANCE MANAGER**

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### **1.0   Purpose of the Report**

1.1   The purpose of the report is to provide Members of the Audit Sub Committee with background information on the appointment of a new Internal Auditor.

### **2.0   Background**

2.1   The Internal Auditor is a part time post within the staffing structure of the Finance Section with 15 contracted hours per week.

2.2   The employment of an Internal Auditor is a statutory requirement of the Accounts and Audit Regulations 2003 and the post plays an important role in providing the Council with assurance around its systems of internal control and in preventing and detecting fraud.

2.3   The Job Description for the post have been reviewed and updated for the post and are attached at Appendix 1 for member's information.

2.4   The previous post holder, Mrs Kirsten Bertram had been in post since 2005. In December 2010, Mrs Bertram submitted notice of her intention to leave the Council to take up a new position with the Pensions Service in Darlington.

2.5   Mrs Bertram agreed to work until the end of January 2011, in order to substantially complete the 2010/11 Internal Audit Plan and report this to the Council's Audit Sub Committee.

2.6   Mrs Bertram's final day of employment with the Council was Thursday 27<sup>th</sup> January 2011.

### **3.0   New Internal Auditor Recruitment Process**

3.1   As the grade of the post fell below senior officer grade, officers have delegated powers within the Council's Constitution to undertake the recruitment of a new Internal Auditor.

3.2   The recruitment process for the employment of a new Internal Auditor commenced in December, with the intention of having the new post holder in place as soon as possible following Mrs Bertram's departure.

3.3 The time line for the recruitment of the new Internal Auditor was as follows:-

Adverts Placed	6 <sup>th</sup> to 10 <sup>th</sup> December 2010
Deadline for Applications	31 <sup>st</sup> December 2010
Short Listing	4 <sup>th</sup> to 7 <sup>th</sup> January 2011
Letters to Shortlisted Candidates	7 <sup>th</sup> January 2011
Interviews	19 <sup>th</sup> January 2011
Job Offer	19 <sup>th</sup> January 2011
References Sought	19 <sup>th</sup> January 2011
Induction with Current Auditor	25 <sup>th</sup> January 2011
Pre-Employment Medical	2 <sup>nd</sup> February 2011
Start Date	14 <sup>th</sup> February 2011

3.4 A total of 5 applications were received for the post of which interviews were offered to 4 applicants. Unfortunately, only one of those applicants subsequently attended for interview.

3.5 Fortunately the remaining candidate, Mr Barry Wilkinson, was a semi-retired auditor formerly with Middlesbrough Council with good audit knowledge and many years audit experience at a senior level.

3.6 Following the interview, Mr Wilkinson was offered and accepted the job subject to satisfactory references and pre-employment medical.

3.7 Satisfactory references and medical were since received and Mr Wilkinson commenced work with the Council on 14<sup>th</sup> February, following an induction / handover with the outgoing Internal Auditor.

#### **4.0 Policy Implications**

4.1 Conforms to Aims 1 and 2 of the Council's Aims and Targets –

“To provide good quality governance and management of the Council”

“To manage the Council's finances and assets in a responsible manner”.

#### **5.0 Staffing Implications**

5.1 The staffing implications are set out in detail in the report.

#### **6.0 Financial Implications**

6.1 The new post holder will commence at the bottom of the salary grade for the post and will not be joining the pension scheme which will result in savings to the Council on the cost of the post of around £2,500.

#### **7.0. Crime and Disorder Implications**

7.1 None.

**8.0 Equal Opportunities Implications**

8.1 The recruitment and selection process has been carried out in accordance with the Council's approved Equal Opportunities Policy.

**9.0 Environmental Implications**

9.1 None.

**10.0 Risk Assessment**

10.1 A risk assessment is not considered necessary for the purposes of this report.

**11.0 Recommendations**

11.1 That Members receive the information contained in the report.

## Great Aycliffe Town Council Job Description

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<b>Job Title:</b>	<b>Part Time Internal Auditor</b>
<b>Salary:</b>	<b>Point 22–25 £19,621 to £21,519</b>
<b>Responsible to:</b>	<b>Town Clerk and Finance Manager</b>

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### **Job Summary**

To provide an independent appraisal function to the Council to meet the requirement of the Accounts and Audit Regulations 2003 that “*a relevant body shall maintain an adequate and effective system of internal audit of their accounting records and control systems*”.

The Internal Auditor is responsible for the development and delivery of the Council’s annual internal audit plan in accordance with professional standards and assisting with the development and maintenance of an effective system of corporate governance and internal control within the Council.

### ***Key Duties and Responsibilities***

1. To undertake internal audit reviews (both system based and regularity audits) in respect of all Council services and financial and operational systems, to professional standards, in accordance with the audit plan.
2. To monitor, review and report progress on the delivery of the audit plan during the year and to prepare in advance of the following year the audit plan for the following year, based on an assessment of risk.
3. To provide support and guidance to Council Members, service managers and staff in the development and maintenance of effective financial management, corporate governance and internal control systems across the Council.
4. To check compliance with legislation, the Council’s Financial Regulations and Standing Orders and other key Council policies and procedures.
5. To co-operate with and provide reasonable assistance and assurance to the Council’s external auditors.
6. To prepare audit programmes and testing procedures for all audit reviews and to determine the areas to be tested each year based on an assessment of risk.
7. To document, analyse and evaluate internal controls within all financial and operating systems (both computerised and manual) through the completion of systems notes and audit testing.

8. To identify and advise on any weaknesses in the system of internal control and make recommendations to management regarding the improvement of these.
9. To assist in the development and documentation of new systems and financial procedures.
10. Discuss and agree the conclusions and recommendations from all audit reviews with service managers and keep under review the implementation of all agreed recommendations.
11. To produce clear and accurate written audit reports setting out the audit work undertaken and the conclusions and recommendations from all audit reviews.
12. To produce and present a quarterly report to the Council's Audit Sub Committee setting out the progress on the delivery of the annual audit plan, the audit work undertaken, the key issues, and the conclusions and recommendations from the audits undertaken during each quarter.
13. To undertake or assist with special investigations and value for money studies under the direction of the Town Clerk or Finance Manager.
14. To assist with the investigation of suspected frauds or irregularities.
15. To perform all audit work to the standards set out in the Council's Internal Audit Manual and the CIPFA Code of Practice for Internal Audit in Local Government.
16. To keep up to date with the latest auditing techniques, best practice and other professional developments.
17. Keep abreast of changes to legislative requirements and Council policies.
18. Provide advice on financial and risk management matters as required.
19. Attend and give evidence at disciplinary hearings, appeals and tribunals to give evidence on audit related matters.
20. In the absence of other members of the Finance Section, to undertake day to day core finance tasks as required.
21. Take reasonable care of your own health and safety and co-operate with the Town Clerk and other managers, so far as is necessary, to enable compliance with the Council's health and safety rules and legislative requirements.
22. To undertake such personal training as may be deemed necessary to meet the duties and responsibilities of the post and participate in the Council's personal development review scheme.
23. To attend and contribute to finance team meetings.
24. To undertake such other work as may be reasonably required by the Council commensurate with the duties and responsibilities of the post.