

# National Park Authority Audit Committee Meeting

Agenda Item 12



## Tendering for Audit Services 2015/16

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### *Paper for decision*

#### 1. Purpose

The purpose of this paper is:

- 1.1 to advise members that the one year extension to our contract with KPMG for Internal Audit services expires on 31 March 2015.
- 1.2 to provide members with the options available in relation to the provision of internal audit services and highlight any associated risks.
- 1.3 to make a recommendation for members approval so that we may communicate appropriately with KPMG and CNPA.

#### 2. Update re KPMG Service

Officers reported to an Audit Committee business session in 2014 that the service provided by KPMG had not been satisfactory. Following meetings with Andy Shaw of KPMG we were reassured that the service would improve and on that basis the contract was extended for one year, with the option to extend for a further year available. We are pleased to report that the concerns raised last year are no longer an issue and the service provided by KPMG has improved significantly.

#### 3. Options

The options available for audit committee members to consider are:

- 3.1 We extend the contract for a further year, which the original tender process allows us to do.
- 3.2 We make the decision to re-tender the contract for internal audit services and therefore advise KPMG that the contract will not be extended and begin the tender process.

#### 4. Factors to consider

- 4.1 Internal Audit is jointly procured with CNPA. They have also noted an increase in the service provided and are likely to recommend an extension to the contract to the CNPA Audit Committee.

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4.2 Annual expenditure on our internal audit services is on average £12k.

4.3 The value of the internal audit contract is likely to exceed the single tender contract limit therefore we would be required to undertake a full tender process, with all associated work.

#### 5. Risks

5.1 There would seem to be little risk in choosing to extend the contract by a further year based on the current level of service from KPMG.

5.2 If we choose to retender the contract the main risk is on the internal staff resource to manage this process: a detailed 3-5 year audit plan would be required and this may not be possible until later in the summer because of year end workload. Therefore there could be an impact on the timing of the internal audit work taking place.

#### 6. Recommendations

6.1 The officers' recommendation is option 3.1 above; extend the KPMG contract for a further year. Members are requested to note the contents of this report and advise their approval of this recommendation.

6.2 Subject to approval of the one year extension, officers would begin work over the autumn in developing the tender requirements for a new contract for internal audit services to begin in April 2016. Progress would be reported to the Audit Committee in December 2015.

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