

Council 9 December 2010

Appointment of internal auditor

Executive summary and recommendations

### **Introduction**

PKF (UK) LLP were first appointed as HPC's internal auditors in 2006 and have held the appointment since then, subject to an annual review of their performance by the Audit Committee and the Committee's decision on whether to recommend PKF's reappointment to the Council. As PKF had held the appointment for four years, the appointment was put out to tender this year.

At its meeting on 24 June 2010, the Audit Committee agreed the proposed approach and timetable for tendering for internal audit work. Tenders were received from six firms.

On 18 October 2010, three tenders were short-listed by a panel comprising the chairs of Council, the Audit Committee and the Finance and Resources Committee, the Chief Executive and Registrar and the Director of Finance.

On 25 November 2010, the Audit Committee received presentations from the three short-listed firms and each firm answered questions on their tender.

The Committee recommended that Mazars LLP should be appointed as internal auditor for a period of up to four years. The appointment will be subject to an annual review of the internal auditor's performance by the Audit Committee, which will make a recommendation on continuation of the appointment to the Council.

Subject to Council's agreement, it is anticipated that the appointed firm would start the provision of service on 1 April 2011.

### **Decision**

The Council is asked to agree that:

Mazars LLP should be appointed as internal auditor for a period of up to four years, subject to an annual review of the internal auditor's performance by the Audit Committee, which will make a recommendation on continuation of the appointment to the Council.

### **Background information**

None.

**Resource implications**

None.

**Financial implications**

Payment of internal audit fees (to be agreed by the Audit Committee in March 2011, as part of its approval of the internal audit workplan for 2011-12). The tender indicated that this would be £18,675 including expenses, but excluding VAT.

**Appendices**

None.

**Date of paper**

25 November 2010.