## **SUSSEX AUDIT GROUP**

# AUDITING PROTOCOL FOR SHARED SERVICES/JOINT CONTRACTS

With a move toward taking advantage of cost savings to Councils, by entering into shared service arrangements or joint contracts, the Sussex Audit Group has considered it timely to agree a protocol for auditing such arrangements.

With an agreed protocol written and formally adopted by authorities, the Internal Audit departments can give assurance to Members and senior management that audit reviews will be carried out and reported and that there will be no confusion over which authority will be responsible for carrying out a review.

This protocol will form a basic framework to which the participating audit teams can align their work. The basic premiss is to use this as guidance when considering the audit work required.

The points are listed first and then given more detail after.

The following are the authorities that have adopted the use of this protocol:

AUTHORITY	COMMITTEE	DATE

## **THE PROTOCOL**

- 1. The lead authority will undertake to review the service provision and the letting of the contract.
- 2. The lead authority will inform the other participating authorities when they plan to carry out a review.
- 3. The lead authority will inform the other participating authorities of the proposed scope and will consider any requests/suggestions re the scope from these authorities.
- 4. The lead authority will share the audit report (and working papers if requested) with the other participating authorities.
- 5. The lead authority can request, and participating authorities reasonably consider, assistance of resources (staff) in carrying out the review if required.
- 6. Participating authorities will audit their own specific areas of work.
- 7. Participating authorities will share reports of their own work if recommendations affect, or refer to, the main provision of service.

#### **DETAILS**

1. The lead authority will undertake to review the service provision and the letting of the contract.

As the lead authority in the shared service or the letting of a contract, this authority should be the one to undertake a regular audit review. This should be the default position. However this does not preclude consultation between the participating authorities to undertake this on a rota basis if preferred and agreed by all.

2. The lead authority will inform the other participating authorities when they plan to carry out a review.

This should include the frequency with which the audit will be undertaken and also the year and time within the year. This will allow authorities to plan their work and reduce duplication of work. The committees of participating authorities can also be informed of planned work by the lead authority.

3. The lead authority will inform the other participating authorities of the proposed scope and will consider any requests/suggestions re the scope from these authorities.

In order to ensure that any concerns of participating authorities are considered as part of the scope of the proposed review, the lead authority will share the proposed scope in a timely manner. All reasonable requests must be considered and any reasons for non-inclusion fed back to the authority making the request. If the area of work requested is not included in the review to be carried out the participating authority will be at liberty to carry out that piece of work independently.

4. The lead authority will share the audit report (and working papers if requested) with the other participating authorities.

Sharing documents will allow participating authorities to decide whether they are happy to place reliance on the work and to report this on to their committee. The report can also be shared with relevant managers within the participating authorities.

5. The lead authority can request, and participating authorities reasonably consider, assistance of resources (staff) in carrying out the review if required.

In order that the full resource implications do not fall entirely on certain authorities, each participating authority should reasonably consider a request for assistance of staff from the lead authority.

If planned reviews are communicated early then it would be possible for participating authorities to set aside time to give assistance within their own annual plan.

6. Participating authorities will audit their own specific areas of work.

Where certain areas of work in the shared service/joint contract are still handled by a participating authority, that authority will be responsible for auditing that area of work.

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7. Participating authorities will share reports of their own work if recommendations affect, or refer to, the main provision of service.

When participating authorities audit their own area of work issues may be raised which are as a result of, or have an impact on, the wider service. Where this is the case the report (or relevant part thereof) must be shared with the lead authority and any other participating authorities.

# **DATA SHARING**

Where personal data may be shared across authorities as a result of work carried out using this protocol, all parties must ensure that there are adequate and suitable agreements in place for data sharing.