

## **Service Specification**

### **Address of Parties**

Veritau – registered office is at West Offices, Station Rise, York, YO1 6GA

City of York Council - West Offices, Station Rise, York, YO1 6GA

### **Services and Service Levels**

#### **Internal Audit Services (Core Service)**

To provide an internal audit service in accordance with the Public Sector Internal Audit Standards and CYC's Audit Charter. The service will comprise an annual programme of work agreed by the council's s151 Officer and approved by the Audit and Governance Committee (or equivalent). The programme of work will include follow up reviews and other assurance related activities. Changes to the programme of work during the year will be agreed by the s151 Officer and reported to the Audit and Governance Committee (or equivalent). The results of internal audit work will be reported to senior management and the Audit and Governance Committee in accordance with agreed protocols.

To provide advice, guidance and training on governance and control related matters to CYC officers and Members.

To support officers in the maintenance and update of codes and policies associated with the council's framework of governance and control (as required).

To attend and contribute to corporate and directorate working groups (as required).

To undertake investigations, reviews and such other work as instructed by the council's s151 Officer or his/her nominated representative.

#### **Counter Fraud Services (Core Service)**

To provide a counter fraud service. The service will comprise an annual programme of work agreed by the council's s151 Officer and approved by the Audit and Governance Committee (or equivalent). The programme of work will include proactive exercises to identify possible fraud and the investigation of suspected fraud cases referred to the company. This will include local and national data matching exercises.

To support officers in the maintenance and update of the council's counter fraud policies (as required).

To provide advice, guidance and training to CYC officers and Members on measures to manage the risk of fraud and corruption.

To undertake a programme of activities to raise awareness of fraud issues amongst staff and the public. Activities will include targeted fraud awareness training and organising counter fraud publicity (both internal and external).

### Other Assurance Related Services

The Council may request other related assurance services (including Information Governance and Risk Management support services) from Veritau on an ad-hoc basis. The scope and duration of the work will be agreed by the client officer in advance.

As outlined in the key performance indicators section below, annual targets will be agreed by the s151 Officer and reported to the Audit and Governance Committee (or equivalent).

### **Notices**

City of York Council - West Offices, Station Rise, York, YO1 6GA

For the attention of Debbie Mitchell – Corporate Finance and Commercial Procurement Manager

Veritau – registered office is at West Offices, Station Rise, York, YO1 6GA

For the attention of Max Thomas – Director and Head of Internal Audit

### **Pricing**

#### Part 1 - Fees

The Fees for the Service are calculated as follows:

Each year the annual fee will be calculated by reference to the agreed programme of work for core services (expressed in days) multiplied by the agreed daily fee rate.

The daily fee rate will be agreed by the s151 Officer or his/her nominated representative at the start of each financial year. The daily fee rate may be increased annually to reflect changes in the rate of inflation and/or the local government pay award.

In addition to the Core Services, the s151 Officer or his/her nominated representative may commission additional services from the company. The daily fee rate will apply to any additional services provided. The basis for calculating the charge will be agreed in advance (and may include a fixed fee or a variable charge based on the volume of work).

## Part 2 – Payment

The annual fee for the Service will be invoiced in 4 equal instalments, quarterly in advance.

Additional fees will be invoiced separately once the work is completed.

The fees referred to in Part 1 are exclusive of VAT.

## **Key Performance Indicators**

The following are indicative for year 1 (2020/21). Updated performance indicators will be agreed on an annual basis to ensure continued performance and to reflect any changes in Public Sector Audit Standards.

- Agreement of the Internal Audit Plan and work programme by 30<sup>th</sup> April each year prior to approval by Audit & Governance Committee
- To deliver 93% of the agreed Internal Audit Plan [increased from 90%]
- To achieve a positive customer satisfaction rating of 95%
- In the case of essential audit recommendations, support the Council to ensure that 95% are implemented [increased from 90%]
- Ensure any requests for advice receive an initial response within 5 working days
- Ensure that at least 30% of investigations completed result in a positive outcome (management action, benefit stopped or amended, sanction or prosecution)
- To identify actual fraud savings of £200k (quantifiable savings)
- Agreement of the Counter Fraud Plan and programme of work by 30<sup>th</sup> April each year, prior to approval by Audit & Governance Committee. The Counter Fraud Strategy must include a list of key policies and a schedule of their review dates.

## **Reporting requirements**

Veritau will report to the Council Shareholder Committee at least twice a year to cover the approval of both the annual business plan and the year end outturn report.

The following reports will also be presented to Audit & Governance Committee on a regular basis:

- Consultation on annual audit work plan
- Regular progress reports
- Reports of progress made by the council in implementing action agreed to address control weaknesses
- Annual report of the Head of Internal Audit
- Annual updates of counter fraud policy framework and counter fraud risk assessment

Regular contract monitoring meetings will be held with the section 151 officer, or the deputy section 151 officer as appropriate.

Veritau will endeavour to meet any reasonable requests for further information or additional reporting requirements.