



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

7 December 2021

Report of the Assistant Director of Finance (Audit)

Audit Services Unit – Progress Against Audit Plan 2021-22

1. Purpose

- 1.1 To inform Members of the progress against the approved Audit Services Plan for 2021-22 as at 31 October 2021.

2. Information and Analysis

- 2.1 At the meeting of this Committee held on 23 March 2021, Members approved the Audit Services Plan for 2021-22. The Plan was formulated from a risk assessment drawn from a wide range of sources including the Council Plan, the Council's strategic risk register, Departmental risk registers, service plans and meetings with Executive Directors and Directors.
- 2.2 In accordance with the Audit Committee's Terms of Reference this report updates Members on progress against the Plan for the seven months to 31 October 2021 and represents work undertaken during that period, which is detailed in Appendix 1 of the progress report. An analysis of the progress with the Unit's Key Performance Indicators (KPIs) are detailed in Appendix 2 of the progress report.
- 2.3 In common with previous years, some work forming part of last year's approved Audit Services Plan (2020-21) was completed and reported in the current year. Audit staff routinely follow up progress against agreed recommendations as part of subsequent work, in the area under review.

Operational Matters

- 2.4 Whilst the ongoing Covid-19 pandemic is affecting resources and staff availability throughout the Council, Audit have been working closely with Departments and service managers to schedule reviews to minimise the impact on front line services and back office functions. Although we are approaching the challenging winter months that are likely to bring further pressures, it is positive to report at this point in the year, that good progress has been made to enable reasonable coverage across the Council's services and within the 2021-22 approved Audit Plan. A number of reviews are currently in progress and it is envisaged that sufficient coverage will have been completed to enable an opinion to be provided at year end.
- 2.5 As previously reported to the Audit Committee, it will be a challenge to deliver the 2021-22 approved days for schools (174 days) and establishments (64 days) due to practicalities and restrictions in place at the local settings. To allow a base level assurance to be obtained across the Council's schools that may not be subject of a visit in this period, Audit staff are working on a desktop exercise across a number of core areas including finance and governance arrangements.

Audit Resources

- 2.6 Since the last meeting of the Audit Committee a Principal Auditor has left the Unit having completed their notice period. Whilst this has further reduced resources available within the Unit, an advert is currently on the Council's website and with other professional agencies, for two Principal Auditor positions and a six-month temporary post to cover maternity leave. Although the market is very challenging at the moment, it is hoped that the recruitment process is successful, and an update will be provided at the next Audit Committee in February 2022.

Audit Days

- 2.7 At 31 October 2021, a total of 1,434 productive days have been delivered against the pro-rata target of 1,588 days (total planned days for 2021-22 is 2,723).

3. Alternative Options Considered

- 3.1 The Council has a duty under the Public Sector Internal Audit Standards (PSIAS) to provide an annual Internal Audit Report and Opinion on its governance arrangements. Therefore, no alternative options have been considered.

4. Implications

4.1 Appendix 1 sets out the relevant implications considered in the preparation of the Report.

5. Consultation

5.1 No formal consultation was undertaken in the preparation of this report.

6. Background Papers

6.1 Electronic files and Audit working papers held by Audit Services, Finance & ICT Services, County Hall Complex.

7. Appendices

7.1 Appendix 1 – Implications.

7.2 Appendix 2 – Audit Services Progress Report up to 31 October 2021

8. Recommendation(s)

8.1 That Audit Committee are asked to note the performance of the Audit Services Unit during this period.

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Implications

Financial

1.1 None.

Legal

2.1 The Council has a duty to maintain an adequate and effective system of internal audit of its accounting records and system of internal control, together with a duty to prepare an Annual Governance Statement.

2.2 Audit Services discharges the Council's statutory responsibilities under Regulation 5 of the Accounts & Audit Regulations 2015 and fulfils significant aspects of the Director of Finance & ICT's statutory duties under Section 151 of the Local Government Act 1972.

Human Resources

3.1 None.

Information Technology

4.1 None.

Equalities Impact

5.1 None.

Corporate objectives and priorities for change

6.1 The Annual Report and work of Audit staff supports the 2021-25 Council Plan key actions for high performing, value for money and resident focused services, by independently assessing Council services and activities.

Other (Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

7.1 None.