

**FOR PUBLICATION**

**DERBYSHIRE COUNTY COUNCIL**

**AUDIT COMMITTEE**

**1 February 2022**

**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 December 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 nine months to 31 December 2021 and represents work undertaken during that period, which is detailed in the progress report. An analysis of the progress with the Unit's Key Performance Indicators (KPIs) are also included in 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 As we enter the last quarter of 2021-22, the Covid-19 pandemic remains a challenge to the delivery of the Plan and my ability to provide an assurance across the Council's key services. After the Government's announcement on 8 December 2021 that England would move to Plan B following the increased spread of the Omicron variant, it became clear that other than the desktop review outlined in my previous progress report, it would not be possible to undertake the audits of schools (174 days) and establishments (64 days) before the end of 31 March 2022.
- 2.5 However, despite these challenges Audit staff have worked diligently with senior management and responsible officers to agree suitable arrangements to enable reviews to be undertaken across a broad range of the current Audit Plan. As a result, the Unit is currently on track to have either reported or undertaken significant elements of the fieldwork by the end of March 2022 in the following areas:
- Key financial systems including Treasury Management, Accounts Payable and Accounts Receivable;
  - The Council's four Departments;
  - The majority of Departmental projects within the approved plan or other areas notified by senior management during the year.
- 2.6 There are however areas within the Plan where coverage will not be possible in this period. Whilst there are a number of factors that have affected this decision, the main issues relate to the availability of Departmental staff or service pressures. These include Business Continuity arrangements, Major Incident Planning, Direct Care, Procurement of Public Transport and Taxis and the Corporate Database review. Further comments on the individual reviews are detailed within the progress report.

## Audit Resources

- 2.7 During my previous progress report, I informed the Committee of the recruitment exercise that was underway to fill the two Principal Auditor vacancies and a six-month temporary Principal Auditor post to cover maternity leave. Following two days of interviews at the end of December 2021, I am extremely pleased to inform the Committee that two individuals with local government experience have accepted job offers. Whilst it will take a number of months for the individuals to work their respective notice periods, we are hopeful that they will join the Unit by Spring 2022. Unfortunately, the other candidates did not have the

required experience or skills to allow an offer to be made for the vacant six-month temporary post.

### Audit Days

- 2.8 At 31 December 2021, a total of 1,789 productive days have been delivered against the pro-rata target of 2,042 days (total planned days for 2021-22 is 2,723).

## **3. Consultation**

- 3.1 No consultation is required.

## **4. Alternative Options Considered**

- 4.1 N/A. Article 11 of the Council's Constitution requires the Audit Committee to monitor progress against the Annual Audit Plan.

## **5. Implications**

- 5.1 Appendix 1 sets out the relevant implications considered in the preparation of the 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 December 2021.

## **8. Recommendation**

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

## **9. Reasons for Recommendation(s)**

- 9.1 To note that the Council is complying with the requirements of the Council's Constitution.

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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.

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 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 (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)**

7.1 None.