

FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

20 September 2022

Report of the Assistant Director of Finance (Audit)

Audit Services Unit – Progress Against Audit Plan 2022-23

1. Purpose

- 1.1 To inform Members of the review and update of the Audit Charter which is a specific requirement of the Public Sector Internal Audit Standards (PSIAS).

2. Information and Analysis

- 2.1 Since the implementation of the PSIAS, the Council is required to formally approve an Audit Charter. The existing Audit Charter was considered at a meeting of this Committee held on 24 September 2019 before being presented to Cabinet in January 2020 for approval.
- 2.2 The Audit Charter draws together existing practice and formalizes procedures which are already embedded in the Council's governance framework (e.g. the provisions of Financial Regulations and Standing Orders relating to Contracts, the Anti-Fraud and Anti-Corruption Strategy, Fraud Response Plan, the requirements of the Whistleblowing Policy etc.) into a single reference document which embodies those requirements specified in the PSIAS.
- 2.3 The Charter is reviewed by the Assistant Director of Finance (Audit) in consultation with other appropriate officers and the Audit Committee to ensure it continues to reflect the requirements of the regulatory framework and key legislation on which it is based. The revised Charter is attached at Appendix 2.

2.4 The PSIAS requires that the Audit Charter is approved by Cabinet and the purpose of this Report is to allow the Audit Committee, acting in its role as “those charged with governance”, to review and endorse the revised Charter prior to its formal recommendation for approval as Council policy.

2.5 The following minor amendments have been made to the Audit Charter :

- Changed cover to reflect appointment of myself, as the Assistant Director of Finance (Audit).
- Updated the dates of the latest Local Government Application Note (LGAN).
- Reference is now made to the Managing Director as well as Executive Directors.
- Updated title for Whistleblowing Policy.

3. Consultation

3.1 The Audit Charter is produced in consultation with the Head of Paid Service, other appropriate officers and Audit Committee.

4. Alternative Options Considered

4.1 As the Audit Charter is a specific requirement of the Public Sector Internal Audit Standards (PSIAS), there are no alternative options.

5. Implications

5.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

6. Background Papers

6.1 Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN).

7. Appendices

7.1 Appendix 1 – Implications.

7.2 Appendix 2 – Audit Services Charter.

8. Recommendation

8.1 That the Committee consider the content of the revised Audit Charter and recommend to Cabinet its approval as Council policy.

9. Reasons for Recommendation(s)

9.1 To comply with the requirements of the PSIAS.

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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.