



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET

23 February 2023

Report of the Executive Director - Corporate Services and Transformation

Update to Audit Charter
(Corporate Services and Budget)

1. Divisions Affected

1.1 Not applicable.

2. Key Decision

2.1 This is not a key decision.

3. Purpose

3.1 The purpose of this report is to inform Cabinet of the review and update of the Audit Charter, which is a specific requirement of the Public Sector Internal Audit Standards (PSIAS) and recommend that Cabinet endorses the Audit Charter as Council policy.

3.2 Cabinet are asked to:

- a) endorse the Audit Charter as Council policy

4. Information and Analysis

- 4.1 Since the implementation of the PSIAS, the Council is required to formally approve an Audit Charter. The existing Audit Charter was considered and approved at a Cabinet meeting in January 2020.
- 4.2 The Audit Charter draws together existing practice and formalises 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 Whistleblowing – The Confidential Reporting Code etc.) into a single reference document which embodies those requirements specified in the PSIAS.
- 4.3 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.
- 4.4 The following minor amendments have been made to the Audit Charter:
- 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.
 - Changed cover to reflect position of the Assistant Director of Finance - Audit.
- 4.5 The revised Charter is attached at Appendix 2.
- 4.6 The Audit Committee, acting in its role as “those charged with governance”, has endorsed the revised Charter and the PSIAS requires that the Audit Charter is approved by Cabinet.

5. Alternative Options Considered

- 5.1 Cabinet could decide not to approve the refreshed policy.

6. Implications

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

7. Background Papers

7.1 A file held by the Assistant Director of Finance - Audit.

8. Appendices

8.1 Appendix 1- Implications.

8.2 Updated Audit Charter

9. Recommendation(s)

9.1 That Cabinet:

- a) Note the review of the Audit Charter and approve it as Council policy

10. Reasons for Recommendation(s)

10.1 To comply with the requirements of the PSIAS.

11. Is it necessary to waive the call-in period?

11.1 No

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Implications

Implications

a) Financial

None directly arising from this report.

b) Legal

The Council has a duty to maintain an adequate and effective system of internal audit of its accounting records and system of internal control.

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.

c) Human Resources

None directly arising from this report.

d) Equalities Impact

None directly arising from this report.

e) Corporate objectives and priorities for change

None directly arising from this report.

Other

None directly arising from this report.