

PUBLIC

**MINUTES** of a meeting of **AUDIT COMMITTEE** held on Tuesday, 19 September 2023 at County Hall, Matlock, Derbyshire .

**PRESENT**

Councillor G Musson (in the Chair)

Councillors R Parkinson, N Atkin, R George (substitute for R Mihaly) and P Rose.

Apologies for absence were submitted for Councillors R Mihaly and J Nelson.

**41/23      TO RECEIVE DECLARATIONS OF INTEREST (IF ANY)**

There were no declarations of interest.

**42/23      TO CONFIRM THE MINUTES OF THE MEETING HELD ON 18 JULY 2023**

The minutes of the meeting held on 18 July 2023 were confirmed as a correct record.

**43/23      AUDIT SERVICES PROGRESS REPORT 31 JULY 2023**

The Chairman welcomed Mark Lunn to his first meeting of the Committee following his recent appointment to the position of Assistant Director of Finance (Audit).

Members were informed of the progress against the approved Audit Services Plan for 2023-24 as at 31 July 2023. The Assistant Director of Finance (Audit) updated the Committee on operational matters and staffing issues and was pleased to present a total of 17 audit reports. In addition to the 17 reports a further 3 draft reports had also been issued.

Members of the Committee requested the opportunity to view every stage of a review from start to finish and the processes involved in reaching their recommendations.

Following the recent announcement regarding the Council's projected overspend, Members asked the Assistant Director of Finance (Audit) what governance there had been in relation to budget monitoring and what steps would be taken and what controls would be put in place going forward. The Committee was informed that actions were being taken and the Audit Plan would be adjusted accordingly.

**RESOLVED** that the Committee notes the performance of the Audit Services Unit during this period.

**44/23      CORPORATE RISK MANAGEMENT UPDATE (2023-24 QUARTER 1)**

This report covered the updates to the Council's strategic risk register up to the end of 2023-24 Quarter 1 (Q1). The register was summarised within the report and the full register was provided in Appendix 2 to the report.

The Council's strategic risk environment had remained largely unchanged from the previous report. The high demand for services, inflation and use of reserves presented a substantial ongoing risk to the Council's finances. This was summarised in the update to the risk 'Impact of a prolonged recovery and a funding gap'.

Following the recent announcement regarding the forecast overspend, Members requested clarity on the current position including, how the authority had used both its earmarked and general reserves over the past twelve months, and the cost of borrowing associated with the Long-Term Waste Management Project at Sinfin?

Work had continued to improve the quality of risk registers with considerable data-cleansing ready for the introduction of APEX (Risk). Risks data had now been uploaded to the APEX risk database and officers were beginning to use the system in readiness for Q2 updates during September/October.

**RESOLVED** that the Committee notes the report.

**45/23      TO CONSIDER THE REPORT OF THE EXTERNAL AUDITOR ON  
AUDIT STRATEGY MEMORANDUMS**

Michael Nolan from Mazars attended the meeting to present the following reports:

- The Audit Strategy Memorandum for the Derbyshire Pension Fund for the year ended 31 March 2023
- The Audit Strategy Memorandum for the County Council for the year ended 31 March 2023, and
- Audit Progress Report for the County Council and the Derbyshire Pension Fund

The Committee had been provided with an updated Audit Completion Report at the meeting in March 2023 where it was reported that there

had been two national issues which had held up the completion of the audit, in relation to infrastructure assets and the 2022 Triennial Pension Fund Valuation. The National Audit Office had not yet finalised their requirements of auditors in relation to the Council's 2021-22 Whole of Governments Accounts. However, Mr Nolan reported that they did not foresee any significant concerns in relation to this but were unable to issue their audit certificate until this had formally been confirmed.

With regard to the Derbyshire Pension Fund audit, there were no additional matters to report and no outstanding audit work. Mr Nolan reported that they proposed giving an unqualified audit opinion on the Fund's Financial Statements that were included in the Statement of Accounts at the same time as Council's Financial Statements.

The Chairman invited Mr Nolan to report on the County Council's projected budget overspend from an external audit perspective.

On behalf of the Committee, the Chairman thanked Mr Nolan for his attendance and the presentation of Mazars' reports.

**RESOLVED** that the reports be noted.

**46/23      EXCLUSION OF THE PUBLIC**

To move that under Section 100(a)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that in view of the nature of the business, that if members of the public were present exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 would be disclosed to them and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**47/23      TO CONFIRM THE EXEMPT MINUTES OF THE MEETING HELD ON 18 JULY 2023**

The exempt minutes of the meeting held on 18 July 2023 were confirmed as a correct record.

**48/23      COUNTER FRAUD UPDATE**

**RESOLVED** that the Committee notes the recommendations in the not for publication report.

The meeting finished at 3.27 pm

