



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

5 December 2023

Report of the Assistant Director of Finance (Audit)

Audit Services Unit – Progress Against Audit Plan 2023-24

1. Purpose

- 1.1 To inform Members of the progress against the approved Audit Services Plan for 2023-24 as at 31 October 2023.

2. Information and Analysis

- 2.1 At the meeting of this Committee held on 21 March 2023, Members approved the Audit Services Plan for 2023-24. 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 2023 and represents work undertaken during that period, which is detailed in the progress report. An analysis of the progress with the Unit's Performance Indicators (PIs) 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 (2022-23) 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.

Audit Resources

- 2.4 The Audit Plan for 2023-24 was approved with a reduction in staffing levels as part of wider budget saving measures, with two posts (Senior Auditor & Auditor) removed from the structure. At that time, both a Senior Auditor post and the Assistant Director of Finance (Audit) were vacant.
- 2.5 As reported at the last meeting, an internal appointment was made to the Senior Auditor position, which has created a vacancy at the Auditor level. In addition, the Audit Clerk, who also undertook a number of audit duties, left the Council and both posts were kept vacant. Following the Council's announcement on the budget pressures and need to control its expenditure, including a freeze on recruitment, the Audit structure will remain at its current level for the immediate future. Beyond this point, it is not possible to provide any assurance on the level of resources until the outcome of the 2024-25 budget planning process has been completed, and the Council is aware of future funding deficits that may need to be addressed.
- 2.6 Should I consider that the audit resource is not sufficient to provide an opinion on the Council's control, risk and governance frameworks, I will ensure this matter is raised directly with the Audit Committee, Senior Management and Director of Finance in his role as the Section 151 Officer.

Audit Days

- 2.7 At 31 October 2023, a total of 1,263 productive days have been delivered which is below the anticipated 1,363, which is an improvement to the position that was reported in July. The reasons for the shortfall in productive days within this period mainly includes staff vacancies, the completion of staff training and use of leave through the summer months. Currently, I do not anticipate that this will impact on the ability to deliver the annual Head of Internal Audit Opinion in the Annual Report.

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.

7. Appendices

- 7.1 Appendix 1 – Implications.
- 7.2 Appendix 2 – Audit Services Progress Report up to 31 October 2023.

8. Recommendations

- 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 Council Plan Refresh 2023-25 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.