



**FOR PUBLICATION**

**DERBYSHIRE COUNTY COUNCIL**

**AUDIT COMMITTEE**

**16 July 2024**

**Report of the Assistant Director of Finance (Audit)**

**Audit Services Annual Report 2023-24**

**1. Purpose**

- 1.1 To inform Members of the Annual Report for 2023-24 and the Head of Internal Audit opinion on the adequacy of the Council's arrangements for governance, risk management and control.

**2. Information and Analysis**

- 2.1 The Annual Report provides a summary of the work undertaken by Audit Services during 2023-24 and the results of that work including details of audits undertaken, outcomes from assurance work and senior management actions.
- 2.2 The Annual Report has been prepared in accordance with the Public Sector Internal Audit Standards (PSIAS) to provide:
- An opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.
  - Detail of the Audit Plan delivered throughout the year and overall outcomes to support the Audit Opinion.
  - An opinion that can be used by the Council to inform its Annual Governance Statement (AGS).
  - A statement on conformance with the PSIAS and the results of the Quality Assurance and Improvement Programme (QAIP).

- 2.3 Audit Committee has received progress reports throughout 2023-24 to provide updates on delivery and staffing matters.
- 2.4 The report provides details of the audit work undertaken during the year which has enabled Internal Audit to provide an independent assessment of whether systems and controls are operating effectively. I am satisfied that no conflicts of interest have occurred which would have any bearing on Audit Services' independence or objectivity. In addition, our organisational independence and objectivity has not been impaired in any way whilst undertaking the 2023-24 Audit Plan.
- 2.5 The basis of the audit opinion is drawn from consideration over governance, risk management, internal control and compliance, financial management and reporting, information systems and processes, audit coverage and quality, follow up of audit recommendations and stakeholder engagement.

### **3. Consultation**

- 3.1 No consultation is required.

### **4. Alternative Options Considered**

- 4.1 The Council has a duty under the PSIAS to provide an annual Internal Audit Report and Opinion on its governance arrangements. Therefore, no alternative options have been considered.

### **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 Annual Report 2023-24

### **8. Recommendations**

- 8.1 That Audit Committee:
- a) consider the Annual Audit Report for 2023-24 and overall assurance opinion,
  - b) consider the outcomes of the Audit work completed, and
  - c) 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.

**Report Author:**  
**Mark Lunn**

**Contact details:**  
[mark.lunn@derbyshire.gov.uk](mailto:mark.lunn@derbyshire.gov.uk)

## **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, together with a duty to prepare an Annual Governance Statement.

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's statutory duties under Section 151 of the Local Government Act 1972.

2.3 The Annual Report is also a requirement of the Public Sector Internal Audit Standards (PSIAS).

## **Human Resources**

3.1 None.

## **Information Technology**

4.1 None.

## **Equalities Impact**

5.1 None.

## **Corporate objectives and priorities for change**

6.1 The Council is committed to ensuring good governance and compliance with applicable laws and regulations.

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

7.1 None.