



**OPEN REPORT
GOVERNANCE AND RESOURCES COMMITTEE**

Governance & Resources Committee – 18 July 2024

EXTERNAL AUDIT PROGRESS REPORT

Report of the Director of Resources

Report Author and Contact Details

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Wards Affected

None

Report Summary

This report provides the Committee with updates on the status of the external audit and on the national audit 'backstop' position.

Recommendation

That the External Audit Progress Report shown in Appendix 1 be received.

List of Appendices

Appendix 1 "Audit Progress Report" from Forvis Mazars.LLP.

Background Papers

None

Consideration of report by Council or other committees

No

Council Approval Required

No

Exempt from Press or Public

No

External Audit Progress Report

1. Background

- 1.1 The external auditor, Alastair Newall, has indicated that he would like to provide regular progress reports to the Governance & Resources Committee. Alastair will attend the committee meeting to explain his reasons for this but has stated that it will help to build his knowledge and understanding of the Council, and that helps him and his team do their job better and more efficiently. It does not indicate that he has a negative view of the Council or this Committee.

2. Key Issues

- 2.1 The external audit progress report is shown at Appendix 1; the external auditor will attend the Committee meeting to present the report and to respond to any queries raised by Members.

- 2.2 The key issues in this Audit Progress Report are:

- National consultations: Details of the Department of Levelling Up, Housing and Communities (DLUHC) consultation on proposals to clear the backlog of unaudited accounts, National Audit Office (NAO) consultation to seek views on changes to the Code of Audit Practice and Chartered Institute of Finance & Accountancy (CIPFA) consultation on proposals for minor changes to the Code of Accounting Practice.
- 2022/23 Audit: Details of the steps taken to conclude the audit work for 2022/23;
- 2023/24 Audit: An update on the audit work completed so far, next steps and the expected completion date;
- Other Information: Details of changes to the name, branding and email addresses for Mazars. These are not expected to make any changes of substance that will affect the engagement of Mazars.
- National publications: A list of recent publications that Members and officers might find useful.

3. Options Considered and Recommended Proposal

- 3.1 Not applicable.

4. Consultation & Publicity

- 4.1 Not applicable.

5. Timetable for Implementation

- 5.1 Not applicable.

6. Policy Implications

6.1 None.

7. Financial and Resource Implications

7.1 The fees payable to the external auditor are set by Public Sector Audit Appointments (PSAA). The Council has opted into a scheme where PSAA is responsible for appointing an auditor and setting scales of fees for relevant principal authorities that have chosen to opt into its national scheme.

7.2 The costs of the production of these External Audit Progress Reports and the External Auditor's attendance at committee meetings are included in the scale fee. Therefore, there are no financial risks arising directly from this report.

8. Legal Advice and Implications

8.1 As stated, this report provides the Committee with updates on the status of the external audit and on the national audit 'backstop' position. The recommendation being sought is for the report to be received the legal risk has therefore been assessed as low.

9. Equalities Implications

9.1 There are no equalities issues arising from this report.

10. Climate Change Implications

10.1 There are no climate change issues arising from this report.

11. Risk Management

11.1 The work of the external auditor, his attendance at Committee (which gives Members the opportunity to ask questions and seek assurance from an external party) and the building of a rapport with members of the Committee should provide assurance that the Council's internal controls, arrangements for financial management (including the preparation of the financial statements) and its use of resources are working well. This should minimise financial risks which, consequently, minimises the risk of reputational damage and disruption to services and supports the achievement of many of the Council's aims and priorities.

Report Authorisation

Approvals obtained from:-

	Named Officer	Date
Chief Executive	Paul Wilson	10/07/2024
Director of Resources (S.151 Officer)	Karen Henriksen	10/07/2024
Director of Corporate & Customer Services (Monitoring Officer)	Helen Mitchell	8/7/2024