

**DERBYSHIRE COUNTY COUNCIL**

**AUDIT COMMITTEE**

**4 October 2016**

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

**ANNUAL REVIEW OF THE COUNTY COUNCIL'S REGULATORY FRAMEWORK**

**1. Purpose of Report**

The Audit Committee has been designated by the Council as the committee charged with ensuring the on-going effectiveness of the Authority's overall governance arrangements.

This report updates Members on the continued effectiveness of the County Council's Financial Regulations and Standing Orders relating to Contracts, Anti Fraud and Anti Corruption Strategy, Whistleblowing – The Confidential Reporting Code and Codes of Conduct for Members and Employees.

**2. Information & Analysis**

Members will recall that it was decided that officers should provide an annual report on:

- the continued relevance of these documents;
- the extent of any noted non-compliance with the requirements detailed which had been disclosed during the year;
- the need for any potential review or amendment of their contents; and
- those measures taken to ensure that the requirements contained within these regulations were made known to staff.

The Governance Group comprising of the Director of Finance, Director of HR, Assistant Director of Finance (Audit), Democratic and Registration Services Manager and chaired by the Director of Legal Services continues to conduct an on-going review of key systems and processes operated within the Council to ensure that they deliver effective Corporate Governance. A key part of that role is the Group's monitoring of the above policies to ensure their continued effectiveness.

The Council's Financial Regulations and Standing Orders were last revised with effect from 1<sup>st</sup> July 2014 and have recently been subject to a detailed review which is currently being finalised. There was wide ranging consultation with Cabinet Members, Audit Committee, Strategic Directors, Audit Services, Director of Finance, Director of Legal Services, finance colleagues and other interested parties as part of this review.

Financial Regulations identify at all points the underlying principles, the responsibilities of Members, the duties of the Chief Executive, Director of Legal Services, Director of Finance, Strategic Directors/Directors and of the Authority's auditors, both external and internal.

The provisions of the separate Codes of Conduct for Members and Employees and the 'Whistleblowing – The Confidential Reporting Code' are considered to be appropriate.

The Anti Fraud and Anti Corruption Strategy was subject to a detailed revision and its provisions supplemented by the development of a Fraud Response Plan to confirm how the Council will respond to fraud and corruption. These documents were presented to this Committee at its meeting on 6 October 2015 and, following review, their provisions are considered to be appropriate.

These keys documents underpin the Council's governance framework and compliance will continue to be assessed by Audit Services as part of our work.

### **3. Considerations**

In preparing this report the relevance of the following factors has been considered: financial, legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health, social value, property and transport considerations.

### **4. Officer's Recommendation**

That the Committee note the arrangements for the ongoing review of the Council's key systems and supporting policies which are considered to provide an effective governance framework for the Council.

**Carl Hardman**  
**Assistant Director of Finance (Audit)**