

AUDIT COMMITTEE

26 MAY 2011

REPORT OF HEAD OF FINANCIAL SERVICES

A.4 AUDIT COMMITTEE – TABLE OF OUTSTANDING ISSUES

(Report prepared by Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present to the Committee the progress against outstanding actions identified by the Committee.

EXECUTIVE SUMMARY

The Table of Outstanding Issues has been reviewed and updated since it was last considered by the Committee at its March 2011 meeting.

To date there are no significant issues to bring to the attention of the Committee, with brief updates provided against individual items set out in **Appendix A** or further details included in reports appearing elsewhere on the agenda as necessary.

RECOMMENDATION(S)

That the Committee reviews and notes the progress against the Table of Outstanding Issues.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The existence of sound governance, internal control and financial management practices and procedures are essential to the delivery of Corporate priorities supported by effective management and forward planning within this overall framework.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

There are no significant financial implications associated with monitoring and implementation of agreed actions or responses. If additional resources are required to deliver an agreed action then appropriate steps will be taken including any necessary reporting requirements.

Risk

The Table of Outstanding Issues is in itself a response to potential risk exposure with further activity highlighted to address matters raised by the Audit Committee.

LEGAL

There are no legal implications associated with the monitoring and implementation of the agreed actions.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

This report does not have a direct impact although such issues could feature in future recommendations and actions. Any actions that may have an impact will be considered and appropriate steps taken to address any issues that may arise.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

A Table of Outstanding Issues is maintained and reported to each meeting of the Committee. This approach enables the Committee to effectively monitor progress against issues and items it has raised as part of its effective challenge of issues and reports within its areas of responsibility.

TABLE OF OUTSTANDING ISSUES

An updated Table of Outstanding Issues is set out in **Appendix A**.

Items Added

A number of items identified by the Committee at its 24 March 2011 meeting have now been included as separate items or set out as part of existing items where actions remain outstanding or on-going.

Items Completed or Removed

Items reported as complete at the Committee's 24 March 2011 meeting have now been removed. This includes the on-going item relating to Internal Audit's Compliance with the Cipfa Code of Practice which has now been fully addressed.

Update of Actions Currently in Progress

Work is either scheduled or remains on-going against all remaining items and to date there are no significant issues to highlight.

Interim Update on On-Going Items

The on-going activity shown in **Appendix A** relates to matters that are covered in more detail within a separate and regular report presented to the Committee. However to ensure the Committee are kept informed on a timely basis, an interim update against this activity will be reported within the Table of Outstanding Issues where appropriate. In respect of the progress to date, there are no significant issues to bring to the Committee's attention. The next detailed progress report is scheduled to be presented to the Committee in September 2011.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A – Table of Outstanding Issues May 2011

AUDIT COMMITTEE - Table of Outstanding Issues (May 2011)

Governance Area	Activity / Subject	Recommendation / Issue	Lead Service	Progress / Comments	Status - Target Date
Audit Committee Effectiveness	Periodic review of the operation and effectiveness of the Audit Committee.	The Committee have considered a number of reports culminating in the consideration of the outcomes from a self assessment exercise that was reported to the Committee at its 16 December 2010 meeting. The Committee resolved: <i>a) that the outcomes of the self assessment be noted and the proposed responses be approved and b) that an external peer review is not undertaken at the present time.</i>	Deputy Head of Financial Services	A number of actions were proposed in response to the outcome of the self assessment. These largely revolve around reviewing terms of reference and training. The pragmatic and logical approach adopted is that the approved responses should be implemented as soon as practicable following the local elections in May 2011 which may include wider member training.	In Progress - From May 2011
Control Environment / Risk Management	Safeguarding Children / CRB Checks	<p>At its 27 May 2010 meeting the Committee resolved <i>'That a report be brought back to the Committee later in the year detailing the safeguarding children measures in place on behalf of the Council and its working partners'</i>.</p> <p>The Audit Committee subsequently considered a separate report at their 24 March 2011 meeting. The following three actions were identified for consideration for inclusion on the Safeguarding Annual Action Plan:</p> <p>At the request of the Committee, Officers undertook to investigate for inclusion on the Council's Safeguarding Annual Action Plan:-</p> <p>(i) The risk management issues surrounding the principle of members of the Council undergoing a Criminal Records Bureau check;</p> <p>(ii) The provision of training and guidance in respect of safeguarding children issues as part of the induction of Councillors following the District Council Elections in May;</p> <p>(iii) Including, if it is not already present, a stipulation within the Contract procurement process that any contractor who is awarded a contract from the Council must, if they then sub-contract out that contract, conduct a Criminal Records Bureau check for any and all sub-contractors they employ in carrying out that contract.</p>	Head of Leisure Services	<p>The three points raised by the Audit Committee have now been included on the Safeguarding Annual Action Plan.</p> <p>Although the actions will be monitored elsewhere, progress will be reported to the Audit Committee as appropriate.</p>	In Progress - 2011/12

Corporate Governance	Planning Review	At its 28 June meeting the Committee resolved <i>'That Cabinet be requested to review the progress against actions identified as part of the recent Planning Review and in particular the item regarding the number of Members on the Development Control Committee.'</i>	Temporary Head of Planning Services	<p>Cabinet considered a report at its 10 November 2010 meeting and made a number of recommendations including where the focus of improvements should be and agreeing a list of actions for implementation within 6-12 months.</p> <p>In respect of the more specific issue regarding the number of members on the Development Control Committee, in response to a request from Cabinet, the Community Leadership and Partnerships Committee have reviewed the issue and made a number of comments back to Cabinet.</p> <p>After considering a report from the Temporary Head of Planning at its meeting on 17 May 2011, the Full Council resolved that the number of members serving on the Planning Committee be revised to 11 with the Planning Portfolio Holder having the right to attend all meetings of the Committee with the right to speak but not vote.</p>	In Progress - May 2011
Corporate Governance	Member's Broadband Allowance	At its 28 June meeting the Committee resolved <i>'That Cabinet be requested to undertake a review of the Members' broadband allowance.'</i>	Deputy Head of Financial Services	<p>A report setting out the Committee's recommendation of 28 June 2010 was considered by Cabinet at its 1 September 2010 meeting who resolved - (a) <i>That the Independent Remuneration Panel be requested to consider the Members' broadband allowance as part of their review of the 2011/12 Members' allowances and that the Panel be informed that the Cabinet wish to see the allowance removed.</i></p> <p>After considering a wider report and recommendations from the Independent Remuneration Panel at its meeting on 17 May 2011, the Full Council resolved to cease the Members broadband allowance.</p>	In Progress - May 2011
Corporate Governance	Internal Audit within the Organisational Structure	At its 28 June meeting the Committee resolved <i>'That the Council be requested to consider where in the organisation the Internal Audit function could be placed as part of any wider management structure review in the future.'</i>	Head of Financial Services	This issue is being considered as part of the organisational review currently in progress.	In Progress - June 2011

Risk Management	Membership of Outside Bodies	At its 23 September meeting the Committee resolved: 1) <i>That Cabinet be requested to ensure that there is a Member placement on the committee of Sure Start.</i> 2) <i>That Cabinet be requested to undertake a review of the membership of all outside bodies and put in place a system for reporting back by Members.</i>	Head of Financial Services	A report setting out the Committee's requests was considered by Cabinet at its 10 November 2010 meeting who resolved - (a) <i>That it be noted that Councillor Chapman has now been appointed as the Council's representative on the Tendring Sure Start Children's Centres Board.</i> The Member placement on the committee of Sure Start will be subject to usual review following the elections in May. (b) <i>That, under the Local Democracy strand of the Tendring Spending Review Delivery Plan, Officers undertake a review of Councillor representation on outside bodies to ensure that representation on those bodies provides value for money and supports delivery of the Council's priorities. Further, to devise a process whereby Councillors can feed back from attending meetings of those bodies. That work to be completed for implementation from May 2011.</i> Work remains on-going as part of the Tendring Spending Review Delivery Plan.	In Progress - May / June 2011
Internal Audit	Outcomes from Internal Audit Monitoring Report	At its 24 March 2011 meeting the Committee resolved that reports be submitted to a future meeting of the Committee in respect of:- <i>i. The issues identified in respect of the Cashiers audit and, in particular, why the actions identified from a previous audit remained outstanding; and</i> <i>ii. The background to the cash shortages and unaccounted paperwork relating to the audit of the Pay and Display machines at the Council's car parks and controls now in place to address the issues raised.</i>	Head of BRS Parking Manager	A report in response to the issues relating to the cashiers audit is included elsewhere on the agenda. In respect of the item relating to parking, work remains in progress to enable a report to be presented to the June 2011 meeting of the Committee.	May / June 2011
Internal Audit	Internal Audit Plan	At its 24 March 2011 meeting the Committee resolved: <i>(c) That any outstanding Internal Audit assignments as at 31 March 2011 should be completed within the following six months.</i> <i>(d) That if the same audit issue comes up twice in respect of a Service it should be made clear to the relevant Head of Service that this Committee feels that that is unacceptable</i>	Internal Audit Manager	Activity / actions are in place in response to both issues raised.	May to September 2011

Internal Audit	Audit Committee Work Programme	At its 24 March 2011 meeting the Committee resolved that: <i>(ii) the inclusion on the agenda for the December 2011 meeting of the Committee a report in respect of any slippage within the Internal Audit Plan programme and, in addition, a report on any resource/staffing issues the Internal Audit Section may be facing at that time.</i>	Internal Audit Manager	A response will be submitted to the December 2011 meeting of the Committee.	December 2011
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INTERIM UPDATE - ONGOING ITEMS (more detailed information reported to the Committee via separate monitoring reports)

External Audit and Inspection	Implementation of Recommendations	Recommendations / opportunities for improvement are included in various reports received from the Audit Commission following the completion of audit work they are required to undertake.	Finance	Detailed monitoring of these issues are undertaken via the six monthly Audit Commission Recommendations Action Plan. No significant issues have arisen to date with the next report due to be reported to the Committee at its September 2011 meeting.
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