

AUDIT COMMITTEE

22 SEPTEMBER 2011

REPORT OF HEAD OF RESOURCE MANAGEMENT

A.2 AUDIT COMMISSION RECOMMENDATIONS – PROGRESS / UPDATE

(Report prepared by Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present to the Committee an update and progress against recommendations made by the Audit Commission.

EXECUTIVE SUMMARY

Following their annual audit work and associated reporting, the Audit Commission may make a number of recommendations across various areas of the Council's activities. A key responsibility of the Audit Committee is to review and agree the Council's responses to such recommendations and ensure through regularly monitoring that the appropriate actions have been taken.

An update on progress to date is set out in **Appendix A**. There are currently no significant issues to report and actions have either been completed, are currently being progressed or form part of the current reorganisation that is currently on-going.

RECOMMENDATIONS

That the Audit Committee reviews and notes the progress against the action plan.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The aim of continuing to be financially stable and well managed and provide good value for money is directly supported through learning and improving through audit and inspection.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

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

Risk

Not responding practically and timely to outcomes from audit and inspection may have an impact on the delivery of the Council's priorities, reputation, governance arrangements and overall control environment.

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 items could feature in the recommendations and subsequent action plans in future external audit reports. 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 AND UPDATE ON CURRENT PROGRESS AGAINST AUDIT COMMISSION RECOMMENDATIONS

The Audit Commission may make a number of recommendations to the Council following the completion of audit activity they undertake in a number of areas of the Council's business each year.

The approval and seeking of assurances that appropriate actions are being taken in response to the External Auditor's recommendations is a key activity of the Audit Committee.

A list of outstanding recommendations and an update on progress is set out in **Appendix A**. The individual recommendations are collated with outstanding items presented against the audit year they relate to. A number of actions have now been completed with work in progress / on-going in respect of the remaining items.

Progress against the recommendations is presented to the Audit Committee on a six monthly basis to enable actions to be implemented and embedded before reporting back to the committee, which balances good governance arrangements with practical implementation times. However a summary of progress against these recommendations in the interim period will be included in the table of outstanding issues presented to each meeting of the Committee to ensure any significant issues that may arise are brought to the attention of the Committee at the earliest opportunity.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

APPENDIX A – Audit Commission Recommendations – Action Plan

AUDIT COMMISSION RECOMMENDATIONS - ACTION PLAN

Audit Year	Audit Commission Report	Recommendations / Opportunities for Improvement	Progress / Comments	Status / Target Date
2005/06	Opinion Audit - <i>(Presented to the Audit Committee on 29 March 2007)</i>	R6 - Develop a service level agreement setting out at what point contact centre staff should hand calls over to back office specialists.	This action has been overtaken by subsequent events not least the current organisational review. However this issue will continue to be considered but will now form part of the organisational review and fundamental service reviews in 2011/12.	On-Going
2009/10	Annual Governance Report <i>(Presented to the Audit Committee 23 September 2010)</i>	R1 Ensure all officers are accounting for income and expenditure in the correct financial year.	Responsibility of Head of Resource Management - Awareness of this issue was raised with Services during the end of year processes for 2010/11. Sample checking by Financial Services of material transactions was also undertaken at the end of the year.	Completed
		R2 Members and officers should develop the ethical framework, improve relationships and address any issues of public perception.	<p>Responsibility of Management Team - Review and monitoring of the project plan agreed as part of the Audit Commission's Ethical Governance Report is being undertaken by the Standards Committee who considered the associated report at their 14 March 2011 which included the following two comments agreed by the Audit Committee at its December 2010 meeting:</p> <p><i>(a) That the Committee accepts the recommendations within the Ethical Governance Report and associated project plan.</i></p> <p><i>(b) That the Committee wishes the Standards Committee to be advised that it recommends that any future matters within its terms of reference be dealt with in a timely manner.</i></p> <p>At its 14 March 2011 meeting, the Standards Committee resolved:</p> <p>(a) That the recommendations within the Ethical Governance Report and associated project plan be noted.</p> <p>(b) That, with reference to actions 6, 7 and 8 of the project plan, the Committee strongly recommends that all Councillors attend the various training sessions and facilitated workshops planned to be held following the elections in May 2011.</p> <p>It was further moved by Councillor Talbot, seconded by Councillor H A Shearing and:-</p> <p>RESOLVED – (c) That the Monitoring Officer be requested to give consideration to a training provision for Town and Parish Councillors following the elections in May 2011</p>	Completed
	Annual Audit Letter <i>(Presented to the Audit Committee 16 December 2010)</i>	R1 Deliver the agreed plan for producing IFRS compliant accounts within the timescales the Council has set.	Responsibility of Head of Resource Management - IFRS Compliant Accounts for 2010/11 were finalised and published by the end of June 2011 deadline. The outcomes from the audit of the Accounts undertaken by the Audit Commission is set out in their Annual Governance Report included elsewhere on the agenda.	Completed

<p>Regeneration Review (presented to the Audit Committee 23 September 2010)</p>	<p>R1 Ensure that the strategic framework for regeneration is completed and agreed. This includes the Regeneration Strategy; the Tourism Strategy, and the Economic Recovery Plan. The first two strategies to be supported by a SMART and robust delivery plan that sets out clear, challenging and realistic targets. To include:</p> <ul style="list-style-type: none"> - Matching the scale of ambition to available resources of the Council and partners; - Prioritising available resources at areas that will have the greatest impact; - Reflecting current economic conditions; and - Producing service delivery plans which clearly focus on the areas for which the Council is responsible, as part of 'mainstreaming' approach 	<p>Set against organisational changes highlighted below, a combined delivery plan for regeneration and tourism is being prepared based on the core themes of:</p> <ul style="list-style-type: none"> - Harwich (growth opportunities) - West Clacton and Jaywick (housing and regeneration) - Tourism - Economic Development 	<p>On-Going</p>
	<p>R2 Clarify which of the relevant agencies or delivery vehicles is responsible for delivering which regeneration projects and to what timeline. This clarification should include:</p> <ul style="list-style-type: none"> - The governance and reporting arrangements; - The project management arrangements; and - The funding available to set against the project. 	<p>Tendring Regeneration Ltd now has a clear focus on Harwich and the opportunities relating to wind energy growth. The Councils Regeneration Team is focused on West Clacton / Jaywick and general economic development and tourism across the district.</p> <p>The overall delivery of regeneration and the structures and bodies necessary to deliver our aims will be carried out as part of the proposed whole Council restructuring. The new structure, in place with effect from 1 September 2011 includes a Head of Planning and Regeneration and a leading role for a Strategic Director for key Regeneration projects.</p> <p>A fundamental service review of the Regeneration Service is currently underway and the outcome will establish the strategic and operational role of Regeneration.</p>	<p>On-Going</p>
	<p>R3 Develop and implement systems to support the understanding, monitoring, delivery and review of the full value for money of regeneration activities of both the Council and its partners. To include:</p> <ul style="list-style-type: none"> - Continuous evaluation of activities against key outcomes; - Assessment of projects delivered, set against investment, including officer time; and - A clear strategy for the use of Council funds and assets and their contribution towards delivering objectives. 	<p>These delivery arrangements will be put in place as part of the Council's review of regeneration following the whole Council restructure.</p>	<p>Mar-12</p>