

AUDIT COMMITTEE

19 JANUARY 2012

REPORT OF HEAD OF RESOURCE MANAGEMENT

A.5 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 22 September 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

TABLE OF OUTSTANDING ISSUES

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 governance responsibilities.

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

Update Against Issues Raised

Actions identified by the Committee at its 22 September 2011 meeting have now been included whilst conversely items reported as complete have now been removed if no outstanding actions remain.

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 activities shown in **Appendix A** relate to matters that are covered in more detail within separate and regular reports presented to the Committee. However to ensure the Committee are kept informed on a timely basis, an interim update against these activities will be reported within the Table of Outstanding Issues where appropriate.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A – Table of Outstanding Issues (January 2012)

AUDIT COMMITTEE - Table of Outstanding Issues (January 2012)

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>	Finance and Procurement Manager	<p>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.</p> <p>Training has subsequently been provided on the Statement of Accounts processes.</p> <p>Other actions have also been subsequently implemented.</p> <p>A limited number of actions relate to the relationship with External Audit which will be subject to change during 2012 following the tender of the Audit Commissions functions, with a new auditor appointed by September 2012. This will therefore be reviewed during 2012/13 when practical.</p> <p>To formally follow up the outcomes from the self assessment, a more detailed update against each action will be included within the Committee's work programme for 2012/13.</p>	In Progress and on-going 2012/13
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 Resource Management	As part of the outcomes of the recent reorganisation, the Internal Audit function is placed within the Resource Management Department with all practical and proportionate steps taken to ensure adequate independence remains in place.	Completed

Risk Management	Membership of Outside Bodies	<p>At a previous meeting of the Committee, it was resolved that <i>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></p> <p>Cabinet subsequently resolved that: <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></p>	Head of Resource Management	The review of appointments on outside bodies and a mechanism for members to feedback from attending meetings is the subject of a report to be considered by the Leader / Cabinet shortly.	In Progress - Jan / Feb 2012
Internal Audit	Outcomes from Internal Audit Monitoring Report	<p>At its 27 June meeting a report requested by the Committee concerning the outcomes from a recent Audit of income from parking pay and display machines was considered and it was resolved:</p> <p><i>b) That the Committee recommends a shorter period of time between collection and banking of money.</i></p> <p><i>(c) That officers review the timing of banking and reconciliation to assess whether the new controls are adequate or if tighter controls are needed.</i></p> <p><i>(d) That officers explore alternative ways of using change, rather than simply banking as cash.</i></p> <p><i>(e) That a further report on the above matters be brought back to a future meeting of the Committee.</i></p>	Parking Manager	<p>A summary of the outcomes from the follow up audit which covers these issues is set out within the regular Internal Audit monitoring report elsewhere on the agenda.</p> <p>In respect of the alternative use of cash, the future provision of the Council's cash collection services is currently subject to a review. It would therefore be practical to further consider alternative uses of cash once the outcome of this review is decided as it may have an impact on any associated arrangements.</p>	Completed
Internal Audit	Internal Audit Plan	<p>At its 24 March 2011 meeting the Committee resolved:</p> <p><i>(c) That any outstanding Internal Audit assignments as at 31 March 2011 should be completed within the following six months.</i></p>	Internal Audit Manager	<p>The current progress against specific audits is set out within the regular monitoring report elsewhere on the agenda.</p> <p>The current position is set against the prioritisation of key systems audits and the managed response in the interim period whilst the service was subject to a tender process, the outcome of which is also set out elsewhere on the agenda</p>	Completed

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	The current progress against specific audits is set out within the regular Internal Audit monitoring report elsewhere on the agenda. Similarly to the above, the current position is set against the prioritisation of key systems audits and the managed response in the interim period whilst the service was subject to a tender process, the outcome of which is also set out elsewhere on the agenda along with a specific response to the resource / staffing issues.	Completed
Internal Audit	Outcomes from Internal Audit Monitoring Report	At its 22 September 2011 meeting the Committee considered the report on Internal Audit and resolved that an update be provided on Tourist Information Centre - non compliance of the box office system with card standards.	Leisure Manager	An alternative fully compliant box office system has recently been identified following a tender process, with the system being subject to implementation in the last quarter of 2011/12.	Completed
Internal Audit	Outcomes from Internal Audit Monitoring Report	At its 22 September 2011 meeting the Committee considered the report on Internal Audit and resolved that an update be provided on data security issues in respect of planning and enforcement files. The report considered by the Committee highlighted that enforcement files were not held sufficiently securely and no permanent records identified who has had access to each file.	Head of Planning / Regen.	In following up this matter, the service has confirmed that the relevant actions to address the weaknesses identified, including a change to processes and the use of lockable cabinets, have now been implemented.	Completed
Internal Audit	Outcomes from Internal Audit Monitoring Report	At its 22 September 2011 meeting the Committee considered the report on Internal Audit and resolved that an update be provided on CAPS application system development. The report considered by the Committee highlighted that the Council may not be achieving a full return from its investment in the system.	Head of Resource Management	A number of CAPS projects have been prioritised within the ICT Strategy that will be considered by Cabinet on 25 January following consultation with the Corporate Management Committee. (The items relate to departmental projects mapped against ICT Strategy key themes.)	Completed

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 and Procurement Manager	Detailed monitoring of these issues are undertaken via the six monthly Audit Commission Recommendations Action Plan. The next report is due to be presented to the Committee at its March 2012 meeting with no significant issues to date being raised in the interim period.
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Risk Management	Risk Management Strategy and Strategic Risk Register	Timing of Risk Management activities and reporting	Head of Resource Management	<p>As part of the work of setting up the new Council structure each new Head of Department will be asked to complete a Departmental Plan which will include a risk assessment for the department. This information will then be used to identify risks that are appropriate for inclusion in the Corporate Risk Register so that there is continuity and consistency through the whole risk management system. Given the timing and progress of the current restructure it has been agreed in consultation with the Chair to bring a refreshed and updated Risk Strategy and Register to the Committee's March 2012 meeting.</p> <p>Notwithstanding the above, there are no major concerns at the current time as timely action would in any case be taken where significant issues or exposure to risk were identified in the interim period.</p>
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