

## AUDIT COMMITTEE

27 JUNE 2013

### REPORT OF CORPORATE DIRECTOR (CORPORATE SERVICES)

#### A.6 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 21 March 2013 meeting.

To date there are no significant issues to bring to the attention of the Committee, with updates provided against individual items set out in **Appendix A** or elsewhere on the agenda.

##### **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 direct legal implications associated with this report.

##### **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 21 March 2013 meeting have now been included.

Updates against items either appear as separate items elsewhere on the agenda or set out within the Appendix, with work scheduled or remaining in progress against all items.

The item relating to member representation on outside bodies has now been completed and therefore no longer appears as an outstanding item within **Appendix A**.

#### **Interim Update on On-Going Items**

The on-going activity shown in **Appendix A** that relates to actions against Audit Commission recommendations is usually covered in more detail within a separate report presented elsewhere on the agenda. However as there only remains one outstanding activity relating to regeneration, an update has been provided within the Appendix rather than under cover of a separate report.

At the Committee's meeting on 21 March 2013, an interim update on a revised approach to risk management was presented. Development activity has been undertaken with a pilot approach completed within one department. Final proposals are planned on being presented to the Committee in September.

#### **BACKGROUND PAPERS FOR THE DECISION**

None

#### **APPENDICES**

**Appendix A – Table of Outstanding Issues (June 2013)**

## AUDIT COMMITTEE - Table of Outstanding Issues (June 2013)

Governance Area	Activity / Subject	Recommendation / Issue	Lead Service	Progress / Comments	Status - Target Date
Corporate Governance	Constitution Update	At its 22 March 2012 meeting the Committee resolved:  d) That the role of an internal Contractor as against the role of an external Contractor be reviewed in the next review of the Constitution.	Corporate Director (Corporate Services)	A number of wider amendments to the Constitution are required such as those associated with the outcome from Fundamental Service Reviews. As more changes are emerging it is planned on taking the practical step of incorporating the change requested by the Committee with the wider changes to enable them to be brought together for consideration by Cabinet, Scrutiny Committee and Council in 2013/14.	<b>Nov-13</b>
Audit Committee Effectiveness	Periodic review of the operation and effectiveness of the Audit Committee.	At its 28 June 2012 meeting the Committee considered a formal update against actions previously identified and resolved:  <i>That the proposed actions set out in the Appendix to item A.4 be approved, subject to the Officers investigating further opportunities for general Audit Committee training for Members</i>  In addition to the above, after considering the latest outcomes from the work of Internal Audit at its 21 March 2013 meeting, the Committee resolved that:  <i>The Officers investigate providing training, in due course, for the Committee in respect of risk management.</i>	Finance and Procurement Manager	Activity against outstanding items remain in progress including exploring opportunities to organise in-house training.  Opportunities for risk management training are being reviewed and it is proposed on presenting options to the Committee for consideration if available by the date of the meeting.	<b>Formal update on actions / progress Sep 13</b>
Control Environment	Outcomes from work of Internal Audit	At its meeting on 13 December 2012, the Audit Committee resolved:  <i>That consideration be given to introducing a corporate standard to the paperwork used to capture Officers' time recording to support good governance in this area.</i>	Corporate Director (Corporate Services)	This remains under consideration and will follow / form part of the embedding of the outcome from the FSR process.	<b>Dec-13</b>
Control Environment	Outcomes from work of Internal Audit	As part of considering an update on licencing enforcement at its meeting on 21 March 2013, the Audit Committee requested an update on the potential negative impact on enforcement that may occur whilst the outcomes from the fundamental service process were embedded.	Corporate Director (Public Experience)	A recent recruitment process has proved unsuccessful . The Service is therefore currently reviewing alternative options to ensure that a sound licensing service is continued on the retirement of the existing Licensing Manager.	<b>Sep-13</b>

<b>Control Environment</b>	<b>Outcomes from work of Internal Audit</b>	After considering the latest outcomes from the work of Internal Audit at its 21 March 2013 meeting, the Committee resolved that:  <i>An update report be submitted to the next meeting of the Committee on risk issues relating to the repair and maintenance of CCTV and that the relevant Portfolio Holder be informed, as a matter of courtesy, that the Committee will be receiving such a report</i>	Corporate Director (Life Opportunities)	A separate report is set out elsewhere on the agenda.	-
<b>Control Environment</b>	<b>Outcomes from work of Internal Audit</b>	After considering the latest outcomes from the work of Internal Audit at its 21 March 2013 meeting, the Committee resolved that:  <i>The planning update due to be considered by the Committee at its June meeting also covers procedural issues around planning enforcement.</i>	Head of Planning Services	An update is included as a separate item elsewhere on the agenda.	-
<b>External Audit</b>		At its meeting on 13 December 2012, the Audit Committee resolved:  <i>That the local procurement of external audit services along with any impact on Parish/Town Councils is added to the Table of Outstanding Issues for future consideration.</i>	Finance and Procurement Manager	Under current proposals, Local Authorities will be able to appoint their own external auditors from 2015. Independence, quality and governance arrangements will form part of any procurement decision which will be undertaken within the necessary timescales to be in a position to confirm appointment from 2015.	<b>2014/15</b>

**INTERIM UPDATE - ONGOING ITEMS**

<b>External Audit and Inspection</b>	<b>Implementation of Recommendations</b>	Recommendations / opportunities for improvement are included in various reports received from the External Auditor following the completion of audit work they are required to undertake.	Finance and Procurement Manager	Only one activity relating to regeneration remains outstanding at the present time with an update set out below rather than under cover of a separate report.
<b>Regeneration Review</b> (presented to the Audit Committee 23 September 2010)	<b>Regeneration Review</b> (presented to the Audit Committee 23 September 2010)	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: - 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		The Fundamental Service Reviews that have included the Regeneration Service have now been completed and will continue to be embedded during 2013/14.  Procurement activity has been undertaken to identify partners to support the Council in

	<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"> <li>- The governance and reporting arrangements;</li> <li>- The project management arrangements; and</li> <li>- The funding available to set against the project.</li> </ul>	<p>Corporate Director (Public Experience)</p>	<p>developing an Economic Strategy along with exploring ways to maximise external funding opportunities available to the Council.</p> <p>Member workshops, presentations and updates have now been facilitated by the Council's selected provider, ' regeneris', with further activity planned as the economic strategy continues to be developed during 2013/14.</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"> <li>- Continuous evaluation of activities against key outcomes;</li> <li>-Assessment of projects delivered, set against investment, including officer time; and</li> <li>- A clear strategy for the use of Council funds and assets and their contribution towards delivering objectives.</li> </ul>		