

## AUDIT COMMITTEE - Table of Outstanding Issues (December 2015)

<b>GENERAL</b>					
Governance Area	Activity / Subject	Recommendation / Issue	Lead Service	Progress / Comments	Status - Target Date
<b>General Governance</b>	<b>Outcomes from work of Internal Audit</b>	<p>The Audit Committee has maintained a watching brief on a range of planning issues such as enforcement and S106 agreements. The relevant Portfolio Holder and a representative from the service have attended previous Committee meetings to provide general updates.</p> <p>At its December 2014 meeting the Committee discussed the Community Infrastructure Levy and its future impact on the Council and requested that the topic be included in a Members' briefing session when next appropriate.</p>	Head of Planning Services	<p>General S106 updates will remain on the Committee's work programme for 2015/16 with the next one planned in the second half of the year.</p> <p>The Community Infrastructure Levy has been put forward as a future item for an All Members briefing session when the next appropriate opportunity arises.</p>	<b>On-going (next S106 update planned for March 2016)</b>
<b>External Audit</b>	<b>Future Change</b>	<p>At its meeting on 13 December 2012, the Audit Committee resolved:</p> <p><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></p>	Finance and Procurement Manager	<p>Under current proposals, Local Authorities will be able to appoint their own external auditors from 2017 (subject to the potential extension of existing arrangements). 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 when applicable.</p>	<b>2016/17</b>
<b>Risk Management</b>	<b>Effective Management of the Council's Property Portfolio</b>	<p>Following the Audit Committee's training session on 23 October 2014, Officers were requested to keep the Committee up to date with the property risk audit that is to be undertaken in partnership with the Council's insurers.</p>	Finance and Procurement Manager	<p>The Council's insurers continue with the 'design' and scoping phase with the necessary work being phased across the diverse range of properties owned / operated by the Council.</p> <p>The Finance and Procurement Manager continues to liaise with the Council's insurers to take this item forward.</p>	<b>On-going</b>

<b>Recommendations from the External Auditor</b>	<b>Certification of Claims and Returns Annual Report 2013/14</b>	<p>At its 19 March 2015 meeting the Committee considered the External Auditor's Certification of Claims and Returns Report for 2013/14 and approved the following recommendation :</p> <p>[That in respect of the Housing Benefits Subsidy Claim] Perform early extended testing in those areas where errors were identified in 2013/14 to ascertain the extent of similar errors arising in 2014/15.</p>	Corporate Director (Life Opportunities)	<p>Additional testing was arranged as part of the 2014/15 subsidy claim along with additional training being provided. Also high risk areas are being reviewed by a designated officer within the service to support the overall subsidy process, which also formed part of the assurance / quality review undertaken by the Council's S151 Officer in authorising the subsidy claim for 2014/15. The External Audit of the 2014/15 claim has now been completed with actions taken in response to previous recommendations strengthening the Council's processes and controls.</p> <p>One issue identified by the External Auditors was in connection with the Council's Risk Based Verification Policy which is set out elsewhere on the agenda.</p> <p>The more detailed and formal report from the External Auditor relating to the 2014/15 subsidy claim will be presented to the March 2016 meeting of the Committee.</p>	<b>External Audit Claims and Certification report - March 2016</b>
<b>Risk Management</b>	<b>Housing and Regeneration activities - Jaywick</b>	<p>At various meetings of the Committee, development in Jaywick has been the subject of a number of discussions with the latest position, as agreed by the Committee at its 25 June 2015 meeting, being as follows:</p> <p><i>Development in Jaywick has been recognised within the Annual Governance Statement set out elsewhere on the agenda, which will therefore be a key area that will be kept under review and reported to Members in 2015/16.</i></p> <p><i>In consultation with the Audit Committee Chairman, it is proposed to hold a training session for Members as part of the next phase of the Jaywick project later in the year, which will also provide an opportunity to provide a general update to the Committee as requested.</i></p>	Finance and Procurement Manager	<p>Please see Appendix B for specific details in respect of progress of the Jaywick development project.</p> <p>A training session for members will be arranged later in the year as part of the next phase of the project</p>	<b>Second half of 2015/16</b>

## AUDIT COMMITTEE - Table of Outstanding Issues (December 2015)

### ANNUAL GOVERNANCE STATEMENT ACTIONS

ANNUAL GOVERNANCE STATEMENT ACTIONS		
Governance Issue	Action	Current Position / Update
<b>Financial Resilience</b>	Via the Financial Strategy process, continue to maintain a strong and robust approach to identifying savings and respond to new or additional burdens against the backcloth of the potential for further cuts in Government funding.	<p>An updated financial forecast was reported to Cabinet on 24 July 2015 that set out an initial budget gap of £2.229m for 2016/17. A number of activities took place (which remain in progress) supported by the Corporate Management Committee, to identifying the necessary savings which include:</p> <p><b>2014/15 Outturn Reviews</b> – A review of the end of year variances for 2014/15 to identify where budget reductions can be made on an on-going basis such as areas where income continues to recover from the lows of 5 years ago following the financial crisis.</p> <p><b>Efficiencies / Staff Reviews</b> – Departments / Services to challenge and review how their services are delivered to identify any savings that can be secured on an on-going basis.</p> <p><b>Transformational Activities</b> – work remains in progress in areas such as ICT, printing and scanning which are expected to deliver savings over the life of the projects.</p> <p>An updated position was reported to Cabinet on 11 December 2015 which highlighted that a budget gap of £0.903m remained. At the time of finalising this report, the financial settlement from the Government had yet to be received. Activities remain in progress with the aim of presenting a balanced budget for 2016/17 to Cabinet in January 2016.</p>
<b>Council's Constitution</b>	Following completion of the comprehensive review of the Council's Constitution in 2014/15, to ensure that that the changes made are embedded in the working practices of the Council, and reflected in its future decision making.	The Council's Monitoring Officer is providing guidance on the application of the rules and procedures and is continuing to do so on both general and specific issues as required / requested.

<b>Other Major Issues</b>	To continue to manage the financial and reputational risks of the changes arising regarding Local Council Tax support.	The 2016/17 scheme was agreed by Council on 24 November 2015. The 2016/17 scheme remained the same as the 2015/16 scheme.
	To ensure that adequate, effective and robust governance arrangements remain in place throughout the lifetime of the Clacton to Holland Haven coast defence scheme.	A review of the scheme including detailed financial analysis was presented to Cabinet at its 11 December 2015. The scheme was delivered on time and within budget with unused funding being redirected to a complimentary project that seeks to address cliff stabilisation risks along the same coastline.
	To ensure that adequate, effective and robust arrangements are in place for the acquisition of sites in the Jaywick area, with a view to facilitating development or directly developing the sites for housing / regeneration stimulation.	The initial acquisition of 5 sites in Jaywick were completed earlier in the year. The various options to deliver the next phase of the project are currently being developed.
	To review documents referred to in the refreshed Code of Corporate Governance and refresh / update as appropriate taking into account any revised guidance issued.	This remains in progress.