



AUDIT COMMITTEE

DATE: Thursday, 27 January 2022
TIME: 10.30 am
VENUE: Committee Room - Town Hall,
Station Road, Clacton-on-Sea, CO15
1SE

MEMBERSHIP:

Councillor Coley (Chairman)	Councillor Miles
Councillor Alexander (Vice-Chairman)	Councillor Placey
Councillor Fairley	Councillor Steady
Councillor King	

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For further details and general enquiries about this meeting, contact Keith Durran on 01255 686585.

DATE OF PUBLICATION: Tuesday, 18 January 2022

AGENDA

1 Apologies for Absence and Substitutions

The Committee is asked to note any apologies for absence and substitutions received from Members.

2 Minutes of the Last Meeting (Pages 1 - 8)

To confirm and sign as a correct record, the minutes of the last meeting of the Committee, held on

3 Declarations of Interest

Councillors are invited to declare any Disclosable Pecuniary Interests or Personal Interest, and the nature of it, in relation to any item on the agenda.

4 Questions on Notice pursuant to Council Procedure Rule 38

Subject to providing two working days' notice, a Member of the Committee may ask the Chairman of the Committee a question on any matter in relation to which the Council has powers or duties which affect the Tendring District **and** which falls within the terms of reference of the Committee.

5 Report of the Internal Audit Manager - A.1 - Report on Internal Audit - October 2021 to December 2021 (Pages 9 - 18)

To provide a periodic report on the Internal Audit function for the period October 2021 to December 2021 as required by the professional standards.

6 Report of the Assistant Director (Finance & IT) - A.2 - Table of Outstanding Issues (Pages 19 - 34)

To present to the Committee the progress on outstanding actions identified by the Committee along with general updates on other issues that fall within the responsibilities of the Committee.

Date of the Next Scheduled Meeting

The next scheduled meeting of the Audit Committee is to be held in the Committee Room - Town Hall, Station Road, Clacton-on-Sea, CO15 1SE at 10.30 am on Thursday, 31 March 2022.

Information for Visitors

FIRE EVACUATION PROCEDURE

There is no alarm test scheduled for this meeting. In the event of an alarm sounding, please calmly make your way out of any of the fire exits in the hall and follow the exit signs out of the building.

Please heed the instructions given by any member of staff and they will assist you in leaving the building and direct you to the assembly point.

Please do not re-enter the building until you are advised it is safe to do so by the relevant member of staff.

Your calmness and assistance is greatly appreciated.

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**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE,
HELD ON THURSDAY, 30TH SEPTEMBER, 2021 AT 10.30 AM
IN THE COUNCIL CHAMBER, AT THE COUNCIL OFFICES, THORPE ROAD,
WEELEY, CO16 9AJ**

Present:	Councillors Coley (Chairman), Alexander (Vice-Chairman), Fairley, King (except items 14 - 18 (part)), Placey and Steady
In Attendance:	Richard Barrett (Assistant Director (Finance and IT) & Section 151 Officer), Craig Clawson (Internal Audit Manager), Ian Ford (Committee Services Manager), Karen Townshend (Executive Projects Manager (Governance)), Clare Lewis (Fraud and Risk Manager) and Matt Cattermole (Communications Assistant)

14. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Apologies for absence were submitted on behalf of Councillor Miles (with no substitute).

15. MINUTES OF THE LAST MEETING

The Minutes of the last meeting of the Committee held on Thursday 29 July 2021 were approved as a correct record and signed by the Chairman.

16. DECLARATIONS OF INTEREST

There were no declarations of interest made on this occasion.

17. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 38

There were no Questions on Notice on this occasion.

18. REPORT OF THE INTERNAL AUDIT MANAGER - A.1 - PROGRESS REPORT ON INTERNAL AUDIT: JULY - AUGUST 2021 AND APPROVAL OF INTERNAL AUDIT CHARTER

The Committee had before it a report submitted by the Council's Internal Audit Manager (A.1) which provided it with a periodic update on the Internal Audit function for the period July to August 2021 and enabled it to review the Internal Audit Charter for approval as required by the professional standards.

The Committee was also informed how Internal Audit continued to provide advice on the office transformation programme, the digital transformation programme and project management on a consultative basis.

Outcomes of Internal Audit Work

Members were aware that the Public Sector Internal Audit Standards (PSIAS) required the Internal Audit Manager to report to the Audit Committee on significant risk exposures and control issues. Since the last report four audits had been completed and the final report issued.

Assurance	Colour*	Number this Period	Total for 2019/20 Plan	
Substantial		2	2	
Adequate		1	1	
Improvement Required		1	1	
Significant Improvement Required		0	0	
No Opinion		0	0	

*For the purpose of the colour coding approach, both the substantial and adequate opinions were shown in green as both were within acceptable tolerances.

There had been no significant issues identified within the audits completed during the reporting period.

Management Response to Internal Audit Findings

The Committee was reminded that there were processes in place to track the action taken regarding findings raised in Internal Audit reports and to seek assurance that appropriate corrective action had been taken. Where appropriate, follow up audits had been arranged to revisit significant issues identified after an appropriate time.

The number of high severity issues outstanding was as follows:-

Status	Number	Comments
Overdue more than 3 months	0	
Overdue less than 3 months	0	
Not yet due	2	

Update on previous significant issues reported

Fleet Management Policy

The Committee was informed that the Fleet Management Policy had been put forward to the Human Resources & Council Tax Committee in July 2021 for its approval. However, the Committee had requested some additional changes to be made to the policy and to be brought back to the next meeting of the Committee in October 2021.

Members were also advised that the Acting Transport Manager had now sat his final exam and that the results were expected at the end of October 2021.

Planning Enforcement Policy

The Committee was made aware that the Policy had now been reviewed by the Legal Services Team and was now back with the Planning Enforcement Team for its further review and consultation before it could then be considered for formal adoption.

In respect of the above, the Assistant Director (Finance & IT) undertook to provide members of the Committee with an update in relation to:-

- (i) the contingencies in place and options available should the Acting Transport Manager fail the exam; and
- (ii) the expected time scale for the Planning Enforcement Team's completion of its further review of the Planning Enforcement Policy.

Internal Audit Charter

The Committee recalled that it was a requirement of the PSIAS for the Audit Committee to review and approve the Internal Audit Charter on an annual basis. The Charter had been last updated and approved in September 2019, as due to the Covid-19 pandemic and the focus of Officers being needed elsewhere the Charter had not been reviewed and approved in 2020. However, there had been no changes to standards or processes at that time and therefore no amendments would have been required anyway.

Members were advised that this was still the case and that the Audit Committee and Internal Audit Team continued to comply with the obligations and responsibilities set out within the charter. The current charter was included as Appendix B to item A.1 of the Report of the Internal Audit Manager.

Following a discussion and a review of the contents of the Internal Audit Charter it was:-

RESOLVED that –

- (a) the contents of the report be noted; and
- (b) the Internal Audit Charter be approved, subject to the inclusion within Section 9 of an appropriately worded reference to the fact that, under the Constitution, the members of the Audit Committee are required to undergo specific training in regards to the determination of the Council's Statement of Accounts and the comprehension of Auditor reports.

19. REPORT OF ASSISTANT DIRECTOR (FINANCE & IT) - A.2 - CORPORATE RISK UPDATE

The Committee had before it a report submitted by the Assistant Director (Finance & IT) (report A.2) which presented it with the updated Corporate Risk Register.

It was reported that, although no changes had been identified as being required at this time, the corporate risk framework had been included at Appendix A to the report for Members' reference. A review of the framework was due to take place later in 2021/22.

The Committee was advised that, although COVID related matters continued to affect the whole organisation, they were not reflected in the risk register itself, in order that sight was not lost of the risk register's purpose.

Members were made aware that a review of lessons learnt relating to COVID 19 had now been included in the Internal Audit Plan for 2021/22 and would be brought before the Audit Committee at a later meeting.

The Committee was reminded that Council services had now reopened and that the Council continued to ensure staff remained safe whilst carrying out their day-to-day duties.

The below table set out all amendments to the Risk Register since it had been last considered by the Committee in May 2021:-

Risk Register Item	Amendments / Comments
New Risks Identified	None
Risks Removed	None
Risk Scores Amended	None
Risk under review	None
Risks Amended	<p>Item 1b - Catastrophic IT network failure – change to main text relating to remote working.</p> <p>Item 1d - Ineffective Cyber Security Physical and Application (software) Based Protection Management - update on main text relating to current status of cyber security</p> <p>Item 2d - Ineffective delivery of Transforming Tending project – update on the completion of works.</p>

Although not currently included within the risk register, Officers had highlighted the following two potential emerging issues:-

- **Shortage of Global Supplies** – due to various reasons (including the on-going impact of COVID 19) the risk of key supplies not being available when required had increased - one example being the shortage of computer processing chips. This was currently being managed via earlier procurement planning and remaining alert to market conditions. *(Links to existing Corporate Risk associated with Failure to Deliver Key Services and Ineffective Business Continuity Planning)*
- **Failure to Deliver Key Contracts** – as part of delivering key services to residents, where appropriate, the Council would engage with external providers

on a commercial basis e.g. Essex County Council's Careline Contract. As recognised during the associated decision making processes, there were significant financial and reputational risks associated with this approach. **(Links to existing Corporate Risk associated with Ineffective Workforce Management and Planning)**

The Committee was informed that the above two items would be kept under review and would be revisited / reported back to Members as part of the next corporate risk register update that was scheduled to be submitted to the Committee in March 2022.

Members were reminded that the Fraud and Risk Team continued to oversee the Council's Risk Management supported by the Council's Internal Audit Team. The table below set out the work that was currently being undertaken:-

Agreed Action	Current Position
<i>Management Team to promote the importance of operational risk management within the organisation and ensure that Senior Managers implement a process for identifying and mitigating risks in coordination with the Corporate Fraud and Risk Manager.</i>	The Fraud and Risk Manager continued to work with Management Team to effectively promote the importance of operational risk management within the Council, and continued to attend Management Team meetings on a quarterly basis and provided monthly updates for any urgent matters identified.
<i>One to one meetings will continue to take place between Senior Managers and the Corporate Fraud and Risk Manager to identify and record key operational risks within their service areas. Support to be provided by Internal Audit if required.</i>	This had unfortunately been delayed due to the Corporate Fraud and Risk Manager being redeployed to other tasks during the past 12 months. Those one to one meetings would commence again in October 2021 and would be completed by March 2022.

Follow up item

<i>Arrange Risk Management training for all departments across the Council.</i>	The Council had identified a need for managers to have some Risk Management training to ensure the Council could move forward with verifying risk register actions and review departmental risks across all departments. Training would be carried out by the Fraud and Risk Manager in October 2021, with a view to rolling this out further if the training was thought to be appropriate.
<i>Review carried out relating to the effectiveness of the current control</i>	This review was still ongoing and a report would be brought before the Audit

<i>measures in place to identify inherent risk.</i>	Committee at a later meeting.
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Having considered and discussed the contents of the report and its appendices:-

RESOLVED that the updates provided to the current Corporate Risk Register be noted.

20. REPORT OF THE ASSISTANT DIRECTOR (FINANCE & IT) - A.3 - AUDIT COMMITTEE: TABLE OF OUTSTANDING ISSUES

The Committee had before it a report submitted by the Assistant Director (Finance & IT) (A.3) which presented to the Committee the progress on outstanding actions identified by the Committee, together with updates on other general issues that fell within the responsibilities of the Committee.

Members were aware that a Table of Outstanding Issues was maintained and reported to each meeting of the Committee. That approach enabled the Committee to effectively monitor progress on issues and items that formed part of its governance responsibilities.

Updates were set out against general items, external audit recommendations and the Annual Governance statement within Appendices A, B, and C respectively to the Officer report.

The Committee was informed that to date there were no significant issues arising from the above, with work remaining in progress or updates provided elsewhere on the agenda where appropriate.

There were currently 3 main elements to this report as follows:-

- 1) Appendix A – Provided updates against general items raised by the Committee;
- 2) Appendix B - Provided updates against recommendations made by the Council's External Auditor; and
- 3) Appendix C – Provided updates against the 2020/21 Annual Governance Statement Action Plan.

In terms of elements 1) and 2) above, the Committee was informed that there were no significant issues to raise, with actions remaining in progress. In terms of element 3), there continued to be a significant impact from COVID 19 in terms of progressing the actions as quickly as originally anticipated. However, activity remained in progress against all actions and work would continue during 2021/22, as required.

Members were advised that an External Audit Recommendation was set out in Appendix B in relation to the level of carry forwards from prior years. In previous updates to the Committee, it had been highlighted that a review of a range of funded projects had been undertaken in consultation with the relevant departments and that the sourcing of providing support across a number of areas was being investigated. Although this work remained on-going, the latest position was reported set out below:

Following the initial review by Corporate Directors / Assistant Directors highlighted above, the additional capacity that had been identified as being required primarily centred around:-

- Procurement;
- Maximising External Funding Opportunities / Bid Writing; and
- General Project Management.

In terms of procurement, as set out in a report considered by Cabinet on 17 September 2021, it was proposed to work in partnership with Essex County Council, which would allow the Council to not only access additional capacity but also specialist procurement advice / knowledge.

In terms of the other two items above, a report to the Portfolio Holder for Finance and Corporate Governance was currently being prepared to progress the required capacity building activities.

Other issues

It was reported that the Statement of Accounts 2020/21 had been published and was currently subject to review by the Council's External Auditor. Although it was required to be audited and republished by the end of September 2021, it remained subject to the conclusion of the work of the External Auditor. With this in mind, it was currently expected that a special meeting of the Committee would be required in either October or November to consider the Statement of Accounts and the associated report of the External Auditor once they had concluded their necessary audit work.

Redmond Review

The Committee recalled that, at its meeting held in February 2021, it had considered the Government's initial responses to the Redmond review into the effectiveness of external audit. Those responses had again been considered at the Committee's meeting in April 2021. As mentioned in April, many of the Government's responses indicated that they would either be liaising with the relevant stakeholders or would be considering some recommendations further.

Members were made aware that the latest position was that the Department for Levelling Up, Housing and Communities (formerly MHCLG) were undertaking a technical consultation on a broad range of implementation proposals, along with responding to an earlier consultation on the appropriate methodology for distributing £15m to support effected local bodies, as well as changes to the appointing persons and fee setting regulations that aimed to provide the PSAA with additional flexibilities.

The broad range of implementation proposals included:

- a new system leader for the local audit framework;
- proposals to strengthen audit committee arrangements within councils;
- measures to address ongoing capacity issues on the pipeline of local auditors; and
- action to further consider local audit functions for smaller bodies.

Unfortunately the Government's consultation deadline of 22 September 2021 had not enabled this Council's proposed responses to be presented to the Committee before they had been submitted. However, the Council's responses had been prepared by Officers in consultation with the Chairman of the Committee and had broadly reflected the view that value for money should be at the heart of any changes proposed but balanced against strong and transparent governance where required.

It was also important to highlight that future guidance emerging from the review should not be based on the benchmark of poor performing Councils where there might be a different solution in response to any perceived weaknesses. This Council had a robust and strong approach to governance arrangements, supported by Senior / Statutory Officers along with working closely with its External Auditors, which would continue as part of any changes required as part of the Redmond review.

In respect of the distribution methodology for the £15m made available by the Government to primarily support the anticipated rise in audit fees, it was reported that this would be based each body's scale fee as a proportion of the total fee scale that each body currently payed as part of the current External Audit contracts. The Government had also highlighted that whilst it understood that individual circumstances could vary, it was important that the methodology pursued followed a simple process which allowed for efficient payment to local bodies. The actual financial impact compared with the funding receivable under those new arrangements would be considered as part of this Council's future detailed budget setting and financial forecast processes.

In respect of the PSAA fee setting regulations, it was reported that the Government had committed to consult on proposals to provide the appointing person with greater flexibility to ensure the costs to audit firms of additional work were met and to reduce the need for time consuming case by case consideration of fee variation requests. The majority of respondents to the associated consultation conducted earlier in the year had agreed with the Government's proposals which were summarised as follows:-

- extend the regulatory deadline by which scale fees needed to be set to enable the appointing person to take into account more up-to-date information;
- enable the appointing person to consult and agree standardised fee variations to be applied to all or certain groups of principal bodies;
- provide clarification on enabling some fee variations for additional elements of work to be approved during the audit; and
- expressly to enable the appointing person to appoint auditors for the period that it considered to be the most appropriate, up to the maximum length of the appointing period subject to consultation with the relevant bodies.

It was felt that the above proposals built on the success of the PSAA regime and provided practical flexibilities and interventions to strengthen the stability of the local audit market and address some of the factors that could result in issues with timeliness. Members were informed that as the Redmond Review actions continued to progress, further updates would be presented to them as deemed necessary.

After discussion it was:-

RESOLVED that the Committee notes the progress against the actions set out in Appendices A to C to item A.3 of the Report of the Assistant Director (Finance & IT).

The meeting was declared closed at 11.30 am

Chairman

AUDIT COMMITTEE

27th JANUARY 2022

REPORT OF INTERNAL AUDIT MANAGER

A.1 REPORT ON INTERNAL AUDIT – OCTOBER 2021 TO DECEMBER 2021

(Report prepared by Craig Clawson)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To provide a periodic report on the Internal Audit function for the period October 2021 – December 2021 as required by the professional standards.

EXECUTIVE SUMMARY

- A total of 10 audits have been completed since the previous update in September 2021. Seven audits are in fieldwork phase and fieldwork is complete in one audit which awaits agreement of the draft report. The final six audits have been allocated.
- All audits complete in this period received a satisfactory level of assurance.
- A request for a minor restructure has been made in order to increase the part time Audit Technician role to a full time role and remove the part time Senior Auditor post from the establishment.
- A request is made to defer the review of the Quality Assurance Improvement Program to complete in time for the March 2022 Audit Committee

RECOMMENDATION(S)

- **That the reports be considered and noted;**
- **The Procurement Audit be changed to a consultative review to support the transition of new procurement arrangements; and**
- **The Quality Assurance Improvement Program (QAIP) be deferred until March 2022.**

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES
Provision of adequate and effective internal audit helps demonstrate the Council's commitment to corporate governance matters.
FINANCE, OTHER RESOURCES AND RISK
Finance and other resources The Internal Audit function is operating within the budget set.
Risk Review of the functions of the Council by Internal Audit assists in identifying exposure to risk, and its mitigation.
LEGAL
The Council has a statutory responsibility to maintain adequate and effective internal audit. The Accounts and Audit Regulations 2015 make it a statutory requirement that the Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal audit standards and guidance.
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. Internal Audit activity assists the Council in maintaining a control environment that mitigates the opportunity for crime. During the course of internal audit work issues regarding equality and diversity, and health inequalities may be identified and included in internal audit reports. There is no specific effect on any particular ward.

PART 3 – SUPPORTING INFORMATION

BACKGROUND
The Public Sector Internal Audit Standards require the Internal Audit Manager to make arrangements for reporting to senior management (Management Board) and to the board (Audit Committee) during the course of the year, and for producing an annual Internal Audit opinion and report that can be used to inform the Annual Governance Statement.

INTERNAL AUDIT PLAN PROGRESS 2021/22

A total of 10 audits have been completed since the previous update in September 2021. Seven audits are in fieldwork phase and fieldwork is complete in one audit which awaits agreement of the draft report. The final six audits have been allocated.

All audits completed within this period received a satisfactory level of overall assurance, receiving either an 'Adequate' or 'Substantial' assurance statement.

As there are a number of audits that are continuous or consultative, it is necessary to provide a summary of progress below;

Office Transformation

The office transformation programme is coming to its end therefore there is no longer a requirement to attend any further meetings. Some finishing work is still required such as snagging, once complete a publication is due to be released along with a report to Cabinet with an overall summary of the programme and a lessons learnt report is to be complete.

The time allocated to the transformation programme can now be retained and used elsewhere within the Internal Audit Plan going forwards.

Project Management

There is no further information to report from Internal Audit regarding project management as there has not been any further Project Board meetings since the last update to the Audit Committee.

Procurement

Procurement was due to have its own audit within the 2021-22 financial year. However, Tendring District Council (TDC) has entered into a partnership agreement with Essex County Council (ECC) whereby ECC will undertake and manage a significant percentage of TDC's procurement activities. Therefore, instead of undertaking an audit on historic procurement activities over the past nine months, it is felt that the time allocated for the audit would add better value in supporting the transition of procurement activities to ECC and helping them create a baseline of current processes and issues that may need to be resolved going forwards.

Quality Assurance – The Internal Audit function issues satisfaction surveys for each audit completed. In the period under review 100% of the responses received indicated that the auditee was satisfied with the audit work undertaken.

Resourcing

Internal Audit currently has two part time vacant posts; a Senior Auditor (22 hrs p/w) and an Audit Technician (22.5 hrs p/w). A request has been made to carry out a minor restructure where the Senior Auditor post be removed from the establishment and the Audit Technician hours to be increased to a full time post of 37 hours per week.

The administrative burden of ensuring that our systems are up to date and the follow up process on outstanding actions can be time consuming and therefore encroach on the

available audit days for each audit therefore by increasing the hours of the Audit Technician post, this will remove the administration activities from the Auditors as well as provide some development of audit skills when they support the Internal Audit Manager and Auditors to complete audits and even undertake their own audits when the required skills and experience have been achieved.

This will also provide a saving of around £9k per annum from the salary budget which would be transferred to the consultancy budget to be used for external independent consultancy work or to cover for staff sickness if and when required.

Outcomes of Internal Audit Work

The standards require the Acting Audit and Governance Manager to report to the Audit Committee on significant risk exposures and control issues. Since the last report nine audits have been completed and the final report issued. The Public Sector Internal Audit Standards require the reporting of significant risk exposures and control issues.

Assurance	Colour	Number this Period	Total for 2021/22 Plan	
Substantial		1	3	
Adequate		9	9	
Improvement Required		0	0	
Significant Improvement Required		0	0	
No Opinion Required		0	3	Three consultative reviews to date

For the purpose of the colour coding approach, both the substantial and adequate opinions are shown in green as both are within acceptable tolerances.

Issues arising from audits completed in the period under review receiving an 'Improvement Required' opinion and requiring reporting to Committee are: -

There were no significant issues identified within audits completed during this period.

Management Response to Internal Audit Findings – There are processes in place to track the action taken regarding findings raised in Internal Audit reports and to seek assurance that appropriate corrective action has been taken. Where appropriate follow up audits have been arranged to revisit significant issues identified after an appropriate time.

The number of high severity issues outstanding was as follows: -

Status	Number	Comments
Overdue more than 3 months	1	Planning Enforcement – A further update is provided below
Overdue less than 3 months	0	
Not yet due	0	

Update on previous significant issues reported

Fleet Management Policy

The Fleet Management Policy went back to HR Committee in September 2021 for approval. The committee requested for some additional changes to be made to the policy and it has now been adopted.

The Acting Transport Manager has passed his final exam and has now been officially appointed as the responsible officer for the Council's fleet.

Planning Enforcement Policy

The last update to the Audit Committee explained that the Planning Enforcement Manager had recently left the organisation. The department has now appointed an agency Planning Enforcement Manager. The latest update from the service in December is that three permanent members of staff have since left the organisation therefore the new manager has been tasked with filling those vacancies as well as finalising the Planning Enforcement Policy together with our legal team. The Assistant Director for Strategic Planning and Place has advised that the policy is expected to be finalised in the next few months as some changes are required to ensure that the policy mirrors and complements the objectives established within the Local Plan.

Quality Assurance Improvement Programme (QAIP)

The Internal Audit function are required to be assessed externally every five years on compliance with the Public Sector Internal Audit Standards (PSIAS). This was undertaken four years ago and actions from the assessment have been implemented as previously reported to the Audit Committee. Within the five year assessment period, Internal Audit are required to undertake a periodic self-assessment against the PSIAS in order to develop a QAIP.

The QAIP was assessed in 2020/21 and the report was provided to the Audit Committee in January 2021 for review. The Internal Audit Manager has not been able to complete the self-assessment against the Public Sector Internal Audit Service due to other priorities in this period. It is requested that the assessment be deferred and brought back to the March 2022 committee for review.

BACKGROUND PAPERS FOR THE DECISION

Audit Reports

APPENDICES

Appendix A – 2021/22 Internal Audit Plan Progress Report

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Tendring District Council Internal Audit			
2021/22 Internal Audit Plan Progress Report			
Audit Title	Status Jan 2022	Audit Type	Audit Opinion
Key Systems / Key Financial Risk Areas			
Procurement	Fieldwork	To review the Councils compliance with procurement rules for works or services of value which require a tender exercise	To Be Confirmed
Housing Benefits	Fieldwork	Different Techniques involved. Likely to include self-assessment, Root cause analysis / Data Analytics and Assurance Mapping exercises until Universal Credit is adopted.	To Be Confirmed
National Non Domestic Rates	Fieldwork	Different Techniques involved. To include self-assessment, Root cause analysis / Data Analytics and Assurance Mapping exercises. Analysis of Legislation changes and pooling arrangements may also be required	To Be Confirmed
Main Accounting System	Fieldwork	To review the Councils Main Accounting System which includes management accounting processes and budget monitoring and reporting	To Be Confirmed
Corporate Governance	Complete	Assurance Mapping and Self-Assessments to be used within this audit. Interviews with Senior Management required to ascertain the culture of the organisation	Substantial Assurance
Council Tax	Complete	Different Techniques involved. To include self-assessment, Root cause analysis / Data Analytics and Assurance Mapping exercises.	Adequate Assurance
Payroll	Complete	Data Analytics is the main audit technique used within this audit	Adequate Assurance

Treasury Management	Complete	Assurance Mapping, Self-Assessments and Data Analytics are the main techniques used	Substantial Assurance
Housing Rents	Complete	Root cause analysis / Data Analytics	Adequate Assurance
Accounts Receivable	Fieldwork	To review the income management processes involved for collecting income within the Accountancy department and service departments	To Be Confirmed
Banking	Complete	To review the internal control environment for the management of the Councils bank accounts. This audit will include an assessment of the management of the Corporate Credit Cards	Substantial Assurance
Health and Safety	Fieldwork	Spot checks on service area's to ascertain compliance with H & S recommendations	To Be Confirmed
Other Services / Systems			
Pre and Post Employment Checks	Complete	To review pre and post-employment checks of staff and the different legislative and regulatory requirement for the many different roles within the organisation	Adequate Assurance
Risk Management	Complete	Required annually under PSIAS and Cipfa guidance	Adequate Assurance
Bereavement Services	Complete	To review the processes and controls in place for the management of the crematorium and cemetery. To advise and consult on the strategic direction of the service	Adequate Assurance
Housing Repairs and Maintenance	Fieldwork	To assess the internal control environment for the reactive maintenance for the in house team and the external contractors undertaking works	To Be Confirmed

Careline	Draft Report	Undertake Internal Audit of Careline Services and assess the internal control environment and capacity to deliver services	To Be Confirmed
Transformation Programme	Allocated	Review of governance arrangements, decision making, cost / benefit analysis and benefit realisation	Consultancy
Waste Management – Northbourne Depot	Allocated	Review Waste Management procedures within the Councils Depot	To Be Confirmed
Planning Development	Complete	To review Planning Development processes and ensure that the Council are complying with all relevant legislative and regulatory requirements	Adequate Assurance
Building Control	Complete	To review the effectiveness of the Building Control service and the management of operational services, strategic priorities and income management	Adequate Assurance
Depot Operations	Allocated	To review day to day operations of the depot, overall culture in line with corporate responsibilities and follow up on any outstanding security issues for the depot and its associated satellite compounds	To Be Confirmed
Carbon Neutrality	Allocated	To assess the baseline data used by the Council for setting its Carbon Neutrality aims and objectives and review / assess the planning methodology and feasibility of achieving our aspirations	To Be Confirmed
Strategic Housing	Allocated	To review and assess the services progress in delivering key strategic objectives and obligations	To Be Confirmed

Performance Management	Complete	To review the Councils performance management processes and procedures at a strategic and operational level	Adequate Assurance
Computer Audit			
Digital Transformation Programme	Internal Audit Manager is part of the digital transformation delivery board	IT continues to be one of the biggest risk areas to all organisations. Governance arrangements and project delivery to be within scope	Consultative Review
IT Governance	Allocated	PSIAS expectation that this will be covered each year.	To Be Confirmed
Information / IT Security	Allocated	To review the Councils policies and procedures for ensuring that information and IT security assets remain secure and protected	To Be Confirmed

Status Key

Unallocated	Audit in Audit Plan, but no work undertaken yet
Allocated	Audit is being scoped / has been scoped and awaiting commencement
Fieldwork	Audit in progress
Draft Report	Audit fieldwork complete, but Final Report not yet issued
Complete	Final Report issued and audit results reported to Audit Committee
Deferred	Audit was in Audit Plan, but will now be undertaken in a later year. Deferred audits agreed by Audit Committee
Delayed	Valid request from function being audited for audit to be undertaken later than proposed

AUDIT COMMITTEE

27 JANUARY 2022

REPORT OF ASSISTANT DIRECTOR (FINANCE & IT)

A.2 AUDIT COMMITTEE – TABLE OF OUTSTANDING ISSUES AND APPOINTMENT OF EXTERNAL AUDITOR FROM 2023/24

(Report prepared by Richard Barrett and Karen Townshend)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present to the Committee:

- The progress on outstanding actions identified by the Committee along with general updates on other issues that fall within the responsibilities of the Committee; and
- the proposal to opt in to the Public Sector Audit Appointments (PSAA) arrangements for appointing External Auditors from 2023/24.

EXECUTIVE SUMMARY

- A Table of Outstanding Issues is maintained and reported to each meeting of the Committee. This approach enables the Committee to effectively monitor progress on issues and items that form part of its governance responsibilities.
- Updates are set out against general items, external audit recommendations and the Annual Governance statement within **Appendix A, B, and C** respectively.
- To date there are no significant issues arising from the above, with work remaining in progress or updates provided elsewhere on the agenda where appropriate.
- The Local Audit and Accountability Act 2014 requires the Council to either opt in to an appointing person regime or to establish an auditor panel and conduct their own procurement exercise. The current period covered by the appointing person regime expires in 2022/23 and the Council now needs to consider whether to opt in again for the next five year period starting in 2023/24. Following a review, it is proposed to recommend to Full Council Continue that the Council continues to opt in to the appointing person regime for a further five year period.

RECOMMENDATION(S)

That the Committee:

- a) notes and considers the progress against the actions set out in Appendices A to C; and
- b) recommends to Full Council that this Council opts in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors for a five year period commencing from 2023/24.

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 of the agreed actions or responses. If additional resources are required then appropriate steps will be taken including any necessary reporting requirements.

In respect of appointment of External Auditors via the PSAA appointing person regime, until the associated procurement exercise is completed it is not possible to state what additional resource may be required for audit fees from 2023/24. However, based on the national experience over the past four years and the condition of the market, there is a risk that prices will increase, which will need to be considered as part of the long term financial forecast.

If the Council does not opt in to the PSAA arrangements, then additional resource may be needed to establish an auditor panel and to conduct a local procurement process and the potential for economies of scale would potentially be lower. The same market conditions would also likely apply and there is no evidence to indicate that taking this alternative route would result in lower costs.

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.

In terms of the appointment of External Auditors, the main risk is associated with value for money in terms of cost, which includes the Council's capacity if it decided not to opt in to the appointing person regime and carry out its own appointment process via an independent panel.

LEGAL

There are no direct legal implications associated with this report.

The proposals relating to the appointment of an External Auditor are compliant with the Local Audit and Accountability Act 2014. The regulations require that the decision to opt-in to the PSAA appointing person regime must be made by Full Council.

The PSAA were specified by the Secretary of State as an appointing person under regulation 3 of the Local Audit (Appointing Person) Regulations 2015.

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

The Table of Outstanding Issues has been reviewed and updated since it was last considered by the Committee in September 2021.

There are currently 3 main elements to this report as follows:

- 1) **Appendix A** – Provides updates against general items raised by the Committee.
- 2) **Appendix B**- Provides updates against recommendations made by the Council's External Auditor.
- 3) **Appendix C** – Provides updates against the 2020/21 Annual Governance Statement Action Plan.

In terms of items 1) and 2) above, there are no significant issues to raise, with actions remaining in progress. In terms of item 3), there continues to be a significant impact from COVID 19 in terms of progressing the actions as quickly as originally anticipated. However, activity remains in progress against all actions and work will continue during 2021/22, as required.

In consultation with the Chair of the Committee, the review of the Corporate Risk Register and the Anti-Fraud and Corruption Strategy, which were originally included within the work programme for January 22, will now be presented to the March 22 meeting of the Committee.

Other issues

The Statement of Accounts 2020/21 has been published and is currently subject to review by the Council's External Auditor. Although it is required to be audited and republished by the end of September, at the time of finalising this report, it remains subject to the conclusion of the work of the External Auditor. At the time of this Committee, the associated report of the External Auditor is yet to be received as they continue their necessary audit work. A further update will be provided directly at the meeting of the Committee.

During a remote inspection conducted in 2021 by the Investigatory Powers Commissioner's Office of the Council's Covert Surveillance Policy and Procedure Manual, it was identified that under paragraph 4.47 of the Home Office Covert Surveillance and Property Interference Code of Practice, that Elected Members are provided with quarterly performance reports which cover RIPA (Regulation of Investigatory Powers Act 2000) activity. Historically this was reported in the Performance Report but this was temporarily suspended due to COVID-19 and a change of reporting priorities.

A quarterly update will now be provided to this Committee. During the aforementioned inspection it was highlighted that the above policy be reviewed, which is currently being undertaken and nears completion alongside a review of the Use of Social Media in Investigations Policy and Procedure and Social Media Guidance for Members. This review has identified a change of personnel and training requirement for the Authorised Officers which shall be addressed by the next quarter.

This Authority has not conducted any RIPA activity for some time and it is rare that it will be required to do so.

Redmond Review

At its meeting in September 2021, the Committee were appraised of the Council's response, prepared with the Chair, in relation to the below technical consultation.

The latest position is that The Ministry of Housing, Communities and Local Government are now undertaking a technical consultation on a broad range of implementation proposals along with responding to an earlier consultation on the appropriate methodology for distributing £15m to support effected local bodies as well as changes to the appointing persons fee setting regulations that aim to provide the PSAA with additional flexibilities.

The broad range of implementation proposals include:

- A new system leader for the local audit framework
- Proposals to strengthen audit committee arrangements within councils
- Measures to address ongoing capacity issues on the pipeline of local auditors
- Action to further consider local audit functions for smaller bodies

In respect of the distribution methodology for the £15m made available by the Government to primarily support the anticipated rise in audit fees, this will be based each body's scale fee as a proportion of the total fee scale that each body currently pays as part of the current External Audit contracts. The Government also highlighted that while they understood that individual circumstances may vary, it is important that the methodology pursued follows a simple process which allows for efficient payment to local bodies. The actual financial impact compared with the funding receivable under these new arrangements will be considered as part of the future detailed budget setting and financial forecast processes.

In respect of the PSAA fee setting regulations, the government committed to consult on proposals to provide the appointing person with greater flexibility to ensure the costs to audit firms of additional work are met and to reduce the need for time consuming case by case consideration of fee variation requests. The majority of respondents to the associated consultation conducted earlier in the year agreed with the Government's proposals which are summarised as follows:

- extend the regulatory deadline by which scale fees need to be set to enable the appointing person to take into account more up-to-date information;
- enable the appointing person to consult and agree standardised fee variations to be applied to all or certain groups of principal bodies;
- provide clarification on enabling some fee variations for additional elements of work to be approved during the audit; and
- expressly enable the appointing person to appoint auditors for the period that it considers to be the most appropriate, up to the maximum length of the appointing period subject to consultation with the relevant bodies.

The above proposals build on the success of the PSAA regime and provide practical flexibilities and interventions to strengthen the stability of the local audit market and address some of the factors that can result in issues with timeliness.

At the time of writing, there is no further update from the Redmond Review. Upon update this will be relayed to the Committee at the earliest opportunity.

EXTERNAL AUDITOR APPOINTMENT

Following the closure of the Audit Commission in 2015, the Council considered options for the appointment of its External Auditors in February 2017 and agreed to opt-in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors from 2018/19 for a period of five years up to and including the audit of the 2022/23 accounts.

This arrangement will terminate on 31 March 2023 and the Council is now being invited by the PSAA to consider continuing with the existing opt-in approach for the re-appointment of its External Auditors for a five year period from 2023/24.

The PSAA have published an associated prospectus as part of their invitation process with a summary of the advantages of a national opt-in scheme as follows:

- The appointment of a suitably qualified audit firm to conduct audits for each of the five financial years commencing 1 April 2023;
- appointing the same auditor to other opted-in bodies that are involved in formal collaboration or joint working initiatives to the extent this is possible with other constraints;
- management of the procurement process to ensure both quality and price criteria are satisfied. PSAA has sought views from the sector to help inform its detailed procurement strategy;
- ensuring suitable independence of the auditors from the bodies they audit and managing any potential conflicts as they arise during the appointment period;
- minimising the scheme management costs and returning any surpluses to scheme members;
- consultation with authorities on auditor appointments, giving the Council the opportunity to influence which auditor is appointed;
- consultation with authorities on the scale of audit fees and ensuring these reflect scale, complexity, and audit risk; and
- ongoing contract and performance management of the contracts once these have been let.

In terms of the associated procurement process, PSAA have confirmed that they will:

- seek to encourage realistic fee levels and to benefit from the economies of scale associated with procuring on behalf of a significant number of bodies;
- continue to pool scheme costs and charge fees to opted-in bodies in accordance with the published fee scale as amended following consultations with scheme members and other interested parties (pooling means that everyone within the scheme will benefit from the prices secured via a competitive procurement process – a key benefit of the national collective scheme);
- continue to minimise its own costs, around 4% of scheme costs, and as a not-for-profit company will return any surplus funds to scheme members.

As an alternative approach to the opt-in arrangements above, the Council may choose to

appoint its own external auditor. However, this would require the Council to:

- Establish an independent auditor panel to make a stand-alone appointment. The auditor panel would need to be set up by the Council itself, and the members of the panel must be wholly, or a majority of independent members; and
- manage the contract for its duration, overseen by the Auditor Panel.

It could be argued that making a local appointment allows the Council to take maximum advantage of the local appointment regime, but it does introduce a number of challenges such as:

- Recruiting and servicing a Local Auditor Panel;
- running the tender exercise and negotiating the contract;
- missing the potential economies of scale that sector-led procurement via the opt-in process be expected to deliver; and
- demonstrating quality and independence requirements.

In respect of the third bullet point above, there are currently only nine audit providers eligible to audit local authorities and other relevant bodies under local audit legislation. This means that a local procurement exercise would seek tenders from the same firms as the national procurement exercise, subject to the need to manage any local independence issues.

In summary and as set out when the last five year appointing period was considered back in 2017, the main advantages of opting in to the PSAA's appointing person option remain and include:

- Timely auditor appointments
- Managing the independence of auditors
- Securing competitive prices
- Saving on procurement time / costs
- Saving time and effort needed to implement and support auditor panels
- A stronger ability to focus on audit quality
- The scheme operating on a not for profit basis with any surplus funds distributed to member bodies.

Based on the above review and its relative success over the past five years, it is proposed to opt-in to the PSAA appointing person regime for a further five-year period commencing 2023/24.

If the Council does not accept the PSAA's invitation to opt-in by 11 March 2022 then it will not be able to do so until the following year. This would require the local appointment process to be implemented over the next 12 months, ahead of the 2023/24 year that the first year of the appointment period would cover.

BACKGROUND PAPERS FOR THE DECISION

PSAA Scheme Prospectus

APPENDICES

Appendix A – Table of Outstanding Issues (January 2022) – General.

Appendix B – Table of Outstanding Issues (January 2022) – External Audit Recommendations.

Appendix C - Table of Outstanding Issues – (January 2022) - Update against 2020/21 Annual Governance Statement Actions

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AUDIT COMMITTEE - Table of Outstanding Issues (January 2022) - GENERAL

Governance Principle and Issue	Recommendation / Issue	Lead / Service	Progress /Comments	Status – Target Date
<p>Developing the entity’s capacity, including the capacity of its leadership and the individuals within it.</p>	<p>Following the consideration of the Anti-Fraud and Corruption Strategy last year, it was resolved that:</p> <p>The Head of Democratic Services & Elections be requested to consider including training for Members on anti-fraud and corruption measures as part of the Councillor Development Scheme.</p>	<p>Assistant Director Governance</p>	<p>The issue of the integration of training for Councillors on bribery and corruption into the offer for training for Councillors is being taken forward within the wider piece of work endorsed by Cabinet (on 19 February 2021 – Minute 138 refers) and Council (on 16 March 2021 – Minute 103 refers). This wider piece of work arose from the work of the Constitution Review Working Party at which the suggestion for “a suitable mechanism for regular Member input going forward such as a cross-party Member Working Group” was made. The Working Party also identified the potential use of e-Learning Platforms and in pursuance of that access to the LGA’s e-Learning Package for Members has been arranged for all Councillors and is being rolled out to them. However, the LGA e-Learning Platform does not include a module on bribery and corruption, and measures to deter and detect such behaviour. Discussions will take place with the</p>	<p>Development of Formal Training Programme ongoing which will include:</p> <p>1. Joint general training with other Essex Authorities.</p> <p>2. Statement of Accounts training, timing of which remains subject to the reporting of the accounts to the Committee.</p> <p>The above are planned to be undertaken during the last quarter of the year.</p>

			<p>Section 151 Officer to look at how best to provide this training as they are on the wider point of Local Government Finance as requested by the Resources and Services Overview and Scrutiny Committee (to supplement the e-Learning module and a workbook on the subject already circulated to Members of that Committee).</p> <p>Presently a formal programme is being finalised and Committee shall be updated once this is complete.</p>	
<p>Managing risks and performance through robust internal control and strong public financial management</p>	<p>Following an update from the Assistant Director Housing and Environment on a number of Housing related matters at the Committee's meeting in March, it was agreed to keep under review the on-going issue relating to Council House void periods. This is especially timely given the review / changes to the governance arrangements proposed by the relevant Service in response to this issue.</p>	<p>Assistant Director Housing and Environment</p>	<p>The current position on reducing void turnaround time is still progressing. A new contractor has been appointed and has commenced, introducing some operational changes in order to provide a more efficient process once properties are ready to let.</p> <p>In July the Committee were informed that a new software programme was being rolled out. This is now live and over 800 applications have been entered onto the system.</p> <p>Fortnightly meetings are being chaired by the Chief Executive as</p>	<p>The void rate for general properties has now returned to the historic rate of 2% with a focus now moving to sheltered accommodation and long term voids. The fortnightly meetings chaired by the Chief Executive remain in place with future updates to be included within financial</p>

			<p>part of the wider management response to this specific issue, which are attended by the Portfolio Holder for Housing along with key Senior Officers</p> <p>Further key milestones include:</p> <p>Early September 21 – allocation process will be moved from Northgate system to MRI system</p> <p>December 2021 – complete move from Northgate to MRI system</p>	<p>performance reports over the remainder of 2021/22 and into 2022/23.</p>
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AUDIT COMMITTEE - Table of Outstanding Issues (April 2021) – EXTERNAL AUDIT RECOMMENDATIONS

Area	Recommendation and Agreed Action	Lead / Service	Progress / Comments	Status – Target Date
<p>Use of Resources</p>	<p>As set out in April 2021, we identified some significant amount of carry forward each year from the planned projects of revenue and capital items, which indicates an issue of deliverability of planned projects.</p> <p>There is a risk that reserves are not being held at the optimum level, given that a number of them have not moved notably in recent years.</p> <p>AGREED ACTIONS:</p> <p>1. Assess the ongoing viability of planned projects and take actions such that they can be delivered within a reasonable time and minimise the carry forward.</p> <p>2. Assess, at least once every two years, the appropriateness of the levels of individual reserves and their continued validity based on factors such as historic utilisation rates, associated risk / sensitivity analysis and their underlying purpose and release any excess reserves.</p>		<ol style="list-style-type: none"> 1. This now forms part of the emerging Corporate Investment Plan. 2. This action will be incorporated into the budget setting cycle from 2022/23 onwards. 	<ol style="list-style-type: none"> 1. A Corporate Investment Plan is currently planned on being presented to Cabinet in February 22. This will cover the prioritisation and investment in projects, along with the consideration of associated capacity and resources. 2. Completed. First review included within the Budget Report considered by Cabinet

				at its December 21 meeting.
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AUDIT COMMITTEE - Table of Outstanding Issues (July 2021) – ANNUAL GOVERNANCE STATEMENT ACTIONS 2020/21

Governance Principle & Issue	Required Action(s)	Update / Additional Comments
Carried Forward and Updated from 19/20		
<p>Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p> <p>Ensuring compliance of the Council's governance arrangements through Project board reviews.</p> <p>Utilising the Council's systems to implement best practice for drafting, reporting and decision making.</p>	<ul style="list-style-type: none"> • Review of project outcomes being undertaken by the Project Board to support future decision making and delivery. • Commence the roll out of the functionality of Modern.gov over a phased approach in 2020/21. 	<p>The outcome from two key projects were due to be reported to the Project Board in the second half of 2021/22 following their completion; however this has now been rescheduled for the last quarter of the year.</p> <p>Modern.gov remains an ongoing and live project with additional functionality planned to be rolled out during 2021/22. The delivery team have received updated training to support the future roll out of this system.</p>
<p>Developing the entity's capacity, including the capacity of its leadership and the individuals within it.</p> <p>Ensuring the Council has the appropriate structures in place to support delivery of the Corporate Plan following the Senior Management restructure.</p>	<ul style="list-style-type: none"> • Finalise the operational capacity review and implement any recommended and approved staffing restructures. 	<p>The restructure to align services and teams with the Assistant Director roles in underway in phases. The first phase will be subject to consultation which is to commence in January 2022.</p> <p>Consideration of capacity and resources will also form part of the Corporate Investment Plan mentioned above.</p>

New and Updated for 20/21		
<p data-bbox="107 248 562 387">Determining the interventions necessary to optimise the achievement of the intended outcomes</p> <p data-bbox="107 472 658 576">Managing risks and performance through robust internal control and strong public financial management</p> <p data-bbox="107 655 658 831">By strengthening the linkages between the Corporate Plan priorities and the Council's investment plans along with review of the longer term impact of COVID-19</p> <p data-bbox="107 847 136 895">33</p>	<p data-bbox="698 248 1355 312">As part of the Back to Business and Recovery Plan:</p> <ul data-bbox="748 360 1406 1023" style="list-style-type: none"> <li data-bbox="748 360 1406 504">• Undertake a corporate review of the Council's operational assets to prioritise spending from an associated reserve over the next few years; <li data-bbox="748 552 1406 799">• to develop an investment plan during 2020/21 which will be directly linked to the Council's budget and evolving financial position and supported by the reprioritisation of budgets / existing funding and/or as part of the long term forecast; and <li data-bbox="748 847 1406 1023">• conduct an audit review in relation to the effectiveness of the Council's response to the COVID-19 including <i>a review of the lessons learnt from the Council's response and</i> longer term consequences. 	<p data-bbox="1431 248 2123 663">The alignment of the Council's budget and priority setting has been strengthened during 2021/22 with both coming together as part of the same decision making and consultation process for 2022/23. As highlighted above, a Corporate Investment plan is planned on being presented to Cabinet in February 22, which will bring together the Back to Business Plan and the prioritisation of budgets and resources going into 2022/23.</p> <p data-bbox="1431 695 2123 1198">An update on the Council's general response to the COVID-19 pandemic was set out in the main body of the Annual Governance Statement that forms part of the Statement of Accounts for 2020/21. However, this remains subject to formal review by Internal Audit where further opportunities to strengthen the Council's arrangements will be considered, e.g. business continuity. This item also remains the subject of the work of Internal Audit which will be reported separately as part of the regular reports of the Head of Internal Audit.</p>
<p data-bbox="107 1241 618 1353">Defining outcomes in terms of sustainable economic, social and environmental benefits</p>		

<p>Determining the interventions necessary to optimise the achievement of the intended outcomes</p> <p>To set out the Council's vision following the Council's Climate Emergency declaration of the Council's activities being 'carbon neutral' by 2030.</p>	<ul style="list-style-type: none"> • Prepare an Action Plan for approval by both the Cabinet and Council to form part of the Council's Policy Framework 	<p>A Climate Change Action Plan was agreed by Full Council on 24 November 2020 and included within its priority actions for 2021/22 which forms the background against which performance is being formally reported via the revised monitoring arrangements.</p> <p>Climate change remains part of the initial highlight priorities for 2022/23, which remain subject to consideration by Cabinet at its 28 January 22 meeting.</p>
<p>Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the Rule of law</p> <p>Ensure the Local Code of Corporate Governance and key policies and procedures are up to date.</p>	<ul style="list-style-type: none"> • Review of the Council's Equality and Diversity strategy, policies and procedures 	<p>Both of these actions will be considered as part of the respective Service's key priorities and actions during 2021/22 and are included within the revised performance monitoring arrangements, with updates being reported to Management Team during the year.</p>
<p>Ensuring openness and comprehensive stakeholder engagement</p> <p>Establishing a corporate framework to support community engagement</p>	<ul style="list-style-type: none"> • Developing the Council's approach and adopting principles for community engagement. 	