



## AUDIT COMMITTEE

<b>DATE:</b>	<b>Thursday, 25 January 2024</b>
<b>TIME:</b>	<b>10.30 am</b>
<b>VENUE:</b>	<b>Committee Room - Town Hall, Station Road, Clacton-on-Sea, CO15 1SE</b>

**MEMBERSHIP:**

**Councillor Sudra (Chairman)**  
**Councillor Fairley**  
**Councillor Morrison**

**Councillor Platt**  
**Councillor Steady**

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DATE OF PUBLICATION: Wednesday, 17 January 2024

## AGENDA

### **1 Election of the Vice-Chairman of the Committee**

The Committee is required to elect, from amongst its appointed membership, the Vice-Chairman of the Committee to serve in that office for the remainder of the 2023/2024 Municipal Year.

#### NOTE:

The office of Vice-Chairman of the Audit Committee is currently vacant due to the fact that Ian Lennard, the previous Vice-Chairman, is no longer a serving member of Tendring District Council following his resignation from the office of Councillor.

### **2 Apologies for Absence and Substitutions**

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

### **3 Minutes of the Last Meeting (Pages 1 - 10)**

To confirm and sign as a correct record, the minutes of the last meeting of the Committee, held on Thursday, 5 October 2023.

### **4 Declarations of Interest**

Councillors are invited to declare any Disclosable Pecuniary Interests, Other Registerable Interests of Non-Registerable Interests, and the nature of it, in relation to any item on the agenda.

### **5 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.

### **6 Report of the Internal Audit Manager - A.1 - Report on Internal Audit (Pages 11 - 26)**

To provide the Committee with a periodic report on the Internal Audit function for the period September 2023 – December 2023, as required by the professional standards.

### **7 Report of the Assistant Director (Finance & IT) - A.2 - Table of Outstanding Issues (Pages 27 - 38)**

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.

### **8 Report of the Assurance and Resilience Manager - A.3 - Anti Fraud and Corruption Strategy (REPORT TO FOLLOW)**

To present to the Audit Committee an updated Anti-Fraud and Corruption Strategy.

### **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, 21 March 2024.*

## **Information for Visitors**

### **FIRE EVACUATION PROCEDURE**

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Your calmness and assistance is greatly appreciated.

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE,  
HELD ON THURSDAY, 5TH OCTOBER, 2023 AT 10.30 AM  
HELD IN THE COMMITTEE ROOM, AT THE TOWN HALL, STATION ROAD,  
CLACTON-ON-SEA, CO15 1SE**

<b>Present:</b>	Councillors Sudra (Chairman), Fairley, Platt and Steady
<b>Also Present:</b>	Councillor Bush (Portfolio Holder for the Environment)
<b>In Attendance:</b>	Ian Davidson (Chief Executive)(except items 14 & 15), Damian Williams (Corporate Director (Operations and Delivery)), Lee Heley (Corporate Director (Place & Economy)), Richard Barrett (Assistant Director (Finance and IT) & Section 151 Officer), Tim Clarke (Assistant Director (Housing and Environment)), Craig Clawson (Internal Audit Manager), Ian Ford (Committee Services Manager), Karen Hayes (Executive Projects Manager (Governance)), Keith Durran (Committee Services Officer) and Bethany Jones (Committee Services Officer)
<b>Also in Attendance:</b>	Steve Bladen (via MS Teams; representing BDO LLP, the Council's External Auditor) (except items 14 & 15)

**9. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

There were no apologies for absence or substitutions on this occasion.

**10. MINUTES OF THE LAST MEETING**

It was moved by Councillor Fairley, seconded by Councillor Platt and:-

**RESOLVED** that the Minutes of the last meeting of the Committee held on Thursday 30 March 2023 were approved as a correct record and were signed by the Chairman, subject to the following alteration and amendment to Minute 7 (External Auditor's Update):-

- (1) the addition of a new fourth paragraph to that minute to read as follows:-

*"Officers confirmed that they were not aware of any outstanding requests by the External Auditor."* and

- (2) the deletion in the original fifth paragraph of that minute of the words *"was unable to return"* and their replacement by the words *"did not re-join"*.

**11. DECLARATIONS OF INTEREST**

There were no declarations of interest made on this occasion.

**12. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 38**

No Questions on Notice pursuant to the provisions of Council Procedure Rule 38 had been submitted on this occasion.

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13. **REPORT OF THE ASSISTANT DIRECTOR (FINANCE & IT) - A.3 - TABLE OF OUTSTANDING ISSUES**

The Committee was presented with a report on the progress of outstanding actions previously identified by the Committee along with general updates on other issues that fell within the responsibilities of the Committee. The Table of Outstanding Issues had been reviewed and updated since it had been last considered by the Committee in July 2023.

There were currently two main elements to this report as follows:

- 1) Updates against general items raised by the Committee (Appendix A)
- 2) Updates against the 2023 Annual Governance Statement Action Plan (Appendix B)

Members heard that in terms of item 1) above, there were no significant issues to raise, with actions remaining in progress or further details set out in the report. In terms of item 2), this set out the latest Annual Governance Statement published as part of the Council's Statement of Accounts for 2022/23 on 1 August 2023. Activity would remain in progress against the various items, which would be reported to Members as part of this report going forward.

**Continuing External Audit delays and an update on the External Auditor's work on the Council's Statement of Accounts 2020/21**

Members were advised that, following discussions at the last Audit Committee relating to the completion of the External Auditor's work on the Council's 2020/21 Accounts, a further update was planned to be provided by the External Auditor directly at this meeting.

In respect of the ongoing audit delays, it was reported that the Government's response had been set out in the Monitoring Officer's Section 5 report, considered by Full Council at its meeting held on 26 September 2023. An associated Member question to, and response from, the Chairman of the Audit Committee had also been raised at that same meeting of Full Council. Those had set out more details around the Government's response, which revolved around introducing statutory deadlines, by which time the accounts relating to outstanding years must be finalised. The Chairman of the Audit Committee had also stressed the importance of the Council's current external auditors having a focus on the 2022/23 accounts which had been a point also acknowledged by the Government and the Financial Reporting Council. It was now important to obtain from the Council's external auditors their own response to the Government's recent announcements and their assurances around meeting the proposed statutory deadlines which, hopefully would see them focus on the 2022/23 statement of accounts as soon as possible.

Steve Bladen from BDO LLP, the Council's external auditor attended the meeting via MS Teams and informed the Committee that there had been no progress made on the work outstanding on this Council's 2020/2021 accounts. This was due to a combination of resource issues and a decision to prioritise outstanding NHS audits. This would mean that this Council's audit would not be progressed much before the end of the calendar year.

Mr Bladen referred to the wider national issue revolving around the outstanding local government audits and stated that the National Audit Office was leading and working with all the audit providers nationally in implementing the Government's approach to solving this issue.

Members asked Mr Bladen robust questions that challenged several key points, being summarised as follows:-

- the prioritisation of NHS audits over local government audits;
- BDO's position on meeting the Government's imposed cut-off dates;
- how and when BDO would resolve the outstanding matters around the valuing of Council property (based on floor plans); material infrastructure assets (notably coastal defences); and the evidence provided by an external civil engineer on behalf of the Council (and notably the robustness and qualifications of that civil engineer);
- what assurances could BDO give Members of the Council and Council Tax payers that the Council's finances were robust.

#### RIPA – Regulatory Investigatory Powers Act 2000

This Authority had not conducted any RIPA activity in the last quarter and it was rare that it would be required to do so.

#### Whistleblowing

This Authority had not received any Whistleblowing information since the adoption of the Whistleblowing Policy in July 2023. As part of the monitoring arrangements associated with the effectiveness of this policy, relevant updates would be provided to this Committee during the year.

#### Redmond Review

As further progress was announced by the Government, updates would be provided to future meetings of this Committee, which would hopefully set out the necessary practical steps to implement the recommendations made as part of this review. At the time of this meeting, no updates were available.

#### Changes to Regulatory Arrangements

The Committee was informed that there had been two recent changes that would have an impact on this Council with a summary as follows:

1) The Government had established the Office for Local Government (OFLOG), a performance body for Local Government. They had proposed a number of activities with the aim of fostering accountability through increased transparency, which in turn aimed to support the improvement of Local Government performance.

The Government had also stated that as OFLOG developed, it would seek to enable improvement across the sector by helping facilitate greater use of interpretation of data, and in its mature state it aspired to be an authoritative source of information on Local Government performance, that could support others to interpret performance data and take action on it – particularly where the data showed early warning signs of failure.

OFLOG had stated that their strategic objectives were as follows:

- *empower citizens with information about their local authority, enabling them to hold local leaders to account;*
- *increase local leaders' and councils' understanding of their relative performance, supporting them to improve and better innovate; and*
- *increase central government's understanding of local government performance, highlighting excellence and identifying risk of failure to facilitate timely and targeted support.*

2) Enhanced Powers for the Regulator of Social Housing – the Social Housing Regulation Act had received Royal Assent earlier in the year, which would see a new era of regulation for the social housing sector, with some key elements as follows:

- *Enhanced powers for the Regulator of Social Housing - The Act would facilitate the introduction of proactive consumer regulation by strengthening the Regulator of Social Housing, allowing intervention in cases where landlords were performing poorly on consumer issues. This would enable the Regulator to take action to address any shortcomings and protect tenants.*
- *Stronger enforcement powers - The Act established stronger enforcement powers for the Regulator to take action including provisions for regular inspections of social housing properties to ensure landlords were providing high-quality services and accommodation. Those inspections would help maintain and improve the standard of housing for tenants across the country.*
- *Tenant empowerment - The Act would establish strict time limits for social landlords to address hazards and empowered social housing tenants to request information from their landlords, promoting transparency and accountability. This would ensure tenants had the right to access crucial information about their homes and could access swift redress where things go wrong.*
- *Standards for Registered Providers - The Act had introduced a set of standards for registered housing providers, requiring social housing managers to possess specific qualifications or be actively working towards gaining them. Those standards would help ensure residents received the best possible service from their housing associations.*

The Committee was advised that Council would need to explore those new requirements, their impact on this Council and the actions required to be undertaken in response to the above. In respect of the Housing Regulator's powers, work was already underway along with further planned work that would include external consultation and review along with the development of associated action plans. Further updates would be provided to Members as part of that ongoing work.

#### Other matters to highlight

Members were made aware that, following the Committee's consideration of the Corporate Risk Register at its meeting held in July 2023, the next six monthly update would be in January 2024. This changed the six monthly cycle that had been set out in the Committee's earlier work programme.



After a detailed debate, it was moved by Councillor Fairley, seconded by Councillor Sudra and:-

**RESOLVED** that the progress against the actions set out in Appendices A and B to the Report of the Assistant Director (Finance & IT) be noted.

**14. REPORT OF THE INTERNAL AUDIT MANAGER - A.1 - PERIODIC REPORT ON INTERNAL AUDIT: JUNE 2023 - AUGUST 2023**

Members considered a periodic report on the Internal Audit function for the period June 2023 – August 2023 and which also provided an update on the Internal Audit Charter, for approval by the Audit Committee, as required by the professional standards.

Members were aware that the Public Sector Internal Audit Standards (PSIAS) required the Chief Internal Auditor (Internal Audit Manager) to make arrangements for reporting to senior management (Management Team) and to the board (Audit Committee) during the course of the year, and for producing an annual Internal Audit opinion and report that could be used to inform the Annual Governance Statement.

The Committee was also aware that the Accounts and Audit Regulations 2015 required that: *“a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”*.

INTERNAL AUDIT PROGRESS 2023/24

It was reported that five audits had been completed since the last meeting of the Committee in July 2023. Four audits had received a satisfactory level of overall assurance. The other audit had been undertaken as a consultative piece of work as a lessons learned review (Jaywick Sands – Sunspot). It had now been provided to the service to contribute to future similar projects and to support any reporting arrangements required from the economic growth team.

The Committee was advised that a further 16 audits from the 2023/24 Internal Audit Plan had been allocated, four of which were currently at the fieldwork phase.

Members were made aware that Officers were currently in the ‘Key Systems’ phase of the audit plan whereby all financial and core service systems and processes were reviewed. Each area was tried and tested as they were very important to the Council’s day-to-day activities. Officers did not anticipate any significant issues in this area as historically they had been managed well; however, it was very important to ensure that those systems and processes continued to work as expected and remained well controlled.

Quality Assurance

As per the usual practice, the Internal Audit function had issued satisfaction surveys for each audit completed. In the period under review, 100% of the responses received had indicated that the auditee was satisfied with the audit work undertaken.

Resourcing

Members were reminded that Internal Audit currently had an establishment of 4 FTE posts with access to a third party provider of Internal Audit Services for specialist audit days as and when required. An Audit Technician post was currently vacant.

It was reported that the team had recently transferred an Apprentice from the Council's housing department. That individual was keen to gain experience in Internal Audit and was now part of the team, training and providing much needed additional support.

The Committee was informed that the Internal Audit Manager had also recently taken on additional responsibilities in managing the Fraud, Risk & Compliance and Health and Safety teams whilst the Assurance and Resilience Manager was on secondment. That arrangement was expected to last until December 2023 unless the secondment was extended.

It was felt that there were many similarities between Health and Safety, Compliance and Internal Audit. Work had been undertaken to synchronise the follow up processes between all three services and to identify synergies in order to effectively oversee the service. The Internal Audit Apprentice would be supporting all teams with their administrative requirements in order to free up time for Officers to spend more time on inspections and audit work. This would enable all teams to deliver against their objectives whilst still delivering against the audit plan.

The Committee was assured that if the secondment was extended then the Committee would be provided with periodic reports on the above areas in order to provide overall assurance on all areas covered under the responsibilities of the Internal Audit Manager.

#### Outcomes of Internal Audit Work

The Standards 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. The PSIAS required the reporting of significant risk exposures and control issues.

Assurance	Colour	Number this Period	Total for 2023/24 Plan	
Substantial		3	3	
Adequate		1	1	
Improvement Required		0	0	
Significant Improvement Required		0	0	
No Opinion Required		1	1	One consultative engagement in 2023/24 to date

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 issues arising from the audits completed in the period under review as none had received an 'Improvement Required' or 'Significant Improvement Required' opinion which would have required reporting to the Committee.

### Management Response to Internal Audit Findings

There were processes in place to track the action taken regarding findings raised in Internal Audit reports and seek an 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:-

<b>Status</b>	<b>Number</b>	<b>Comments</b>
Overdue more than 3 months	2	
Overdue less than 3 months	0	
Not yet due	0	

The Committee was reminded that it had requested more detail on the outstanding actions within the above table and on previous significant findings as a matter of context. Appendix B to the Internal Audit Manager's report provided a summary of those findings and agreed actions as well as including the relevant service's response and an internal audit status. This would become a regular appendix of the periodic progress reports going forwards.

### Update on previous significant issues reported

All previous significant issues were now to be found within the aforementioned Appendix B to the Internal Audit Manager's report.

The Corporate Director (Operations & Delivery) (Damian Williams) attended the meeting and updated the Committee on the progress made in relation to the actions arising from the internal audits of Depot Operations, Housing Repairs & Maintenance and Housing Allocations. He also outlined how the Council was responding to the implications of the enhanced powers granted to the Regulator of Social Housing under the Social Housing Regulation Act 2023 and also particularly in relation to stronger enforcement powers; tenant empowerment; and standards for Registered Providers contained within the Act. Mr Williams then responded to Members' questions thereon.

The Assistant Director (Housing & Environment) (Tim Clarke) and the Environment Portfolio Holder (Councillor Bush) attended the meeting and updated the Committee on the progress made in relation to the actions arising from the internal audit of Recycling and Waste (specifically Garden Waste service income). They then responded to Members' questions thereon.

### INTERNAL AUDIT CHARTER

Members were reminded that it was a requirement of the PSIAS for the Audit Committee to review and approve the Internal Audit Charter on an annual basis. As such, the Charter had been last updated, and approved in September 2022. There had been no changes to standards or processes since the last review, therefore no amendments were required.

The Committee was advised that global Internal Audit Standards had recently changed with guidance expected and that therefore there might be a requirement to update the Charter during the year or when the Charter was next reviewed in 2024.

The Charter was included as Appendix C to the Internal Audit Manager's report.

After an in-depth discussion, it was moved by Councillor Fairley, seconded by Councillor Steady and:-

**RESOLVED** that –

- (a) the contents of the report be noted; and
- (b) the Internal Audit Charter be approved.

**15. REPORT OF THE CORPORATE DIRECTOR (PLACE & ECONOMY) - A.2 - PROGRESS ON CLIMATE ACTION**

The Committee considered a report of the Corporate Director (Place & Economy) which presented to it a two-year progress report on the Council's Climate Change Action Plan, as had been required as part of the Audit Programme.

Members were reminded that the Full Council had declared a climate emergency at its meeting held on 6 August 2019, when Councillors from all parties had approved a motion on notice, submitted by former Councillor Neil Stock. The approved motion had committed this Council to preparing an action plan for consideration by Councillors with the aim of making its activities net zero carbon by 2030.

In November 2020, the Council had set out its plan to achieve this goal, initially covering the period to 2023. [Action plan](#).

The Committee was informed that the Council had committed to become net zero by 2030 in its direct emissions (the so-called 'scope one' emissions) and the production of its electricity ('scope two' emissions). The Council was also committed to working towards reducing emissions in its supply chain ('scope three'), which included the services it delivered via business contracts rather than directly employed staff, such as waste collection. This aspect of the plan did not have a defined target for emissions reduction.

It was reported that a final element of the action plan encouraged businesses and residents in the District to play their part in reducing carbon emissions.

The Committee was made aware that the current Action Plan ended in December 2023. A new plan was under development, building on the work of the first plan.

Current position

The Council had emitted 2,797 tonnes of carbon for scope one (internal) and scope two (electricity) emissions in the baseline year, 2018/19. In 2021/22 this had fallen to 2,245 tonnes of carbon emitted. As a result, the Council had saved 552 tonnes of carbon since the baseline year in direct emissions, which was made up from 144 tonnes of scope one (internal) emissions, and 376 tonnes from scope two, electricity.

Members were advised that Officers were currently converting the energy records into Carbon emission equivalent to provide data for 2022/23.

In addition, the Council had recorded 2,317 tonnes of carbon emissions in the baseline year of 2018/19 through its supply chain, i.e. scope three emissions. This had fallen to 2,052 tonnes by 2021/22. The majority of those emissions came from the Veolia fleet of waste vehicles, although that element had slightly increased their contribution to emissions in the period (1,404 to 1,435 tonnes).

The Corporate Director (Economy & Place) (Lee Heley) and the Environment Portfolio Holder (Councillor Bush) both attended the meeting and spoke to this item. They also answered Members' questions in relation to:-

- the achievability of the 2030 'Net Zero' target in the light of the current level of the Council's financial resources;
- the Council's progress against the 'soft trajectory' targets in the Action Plan and how it will meet them going forward;
- can LUF money be used to help meet the requirements of the Action Plan; and
- are all TDC owned buildings covered by the requirements of the Action Plan?

Having considered the update to the Committee on progress with the Climate Action Plan, noting the opportunities and challenges associated with its implementation and that the current Climate Action Plan ended in December 2023 and so required updating for future years:-

It was moved by Councillor Fairley, seconded by Councillor Sudra and:-

**RESOLVED** that –

- (a) the progress against the Climate Action Plan, as set out in Appendix A to the Report of the Corporate Director (Economy & Place), be noted; and
- (b) the Portfolio Holder for the Environment be requested to oversee the development of a Climate Action plan from 2024 with its ambitions and actions set in the context of current national policy.

The meeting was declared closed at 12.40 pm

**Chairman**

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## AUDIT COMMITTEE

25 JANUARY 2024

### REPORT OF INTERNAL AUDIT MANAGER

#### A.1 REPORT ON INTERNAL AUDIT – SEPTEMBER 2023 - DECEMBER 2023

(Report prepared by Craig Clawson)

#### PART 1 – KEY INFORMATION

##### PURPOSE OF THE REPORT

To provide a progress report on the Internal Audit function for the period September 2023 – December 2023.

##### EXECUTIVE SUMMARY

- A total of seven audits have been completed since the previous update in September 2023. A further audit (Financial Resilience) is currently at Draft Report stage waiting to be finalised.
- All audits complete in this period received a satisfactory level of assurance.
- The five year External Quality Assessment remains outstanding, however as the new Global Internal Audit Standards are effective from January 2025 it is recommended that the external assessment be delayed until the new standards are effective. The Institute of Internal Auditors will be releasing guidance in March 2024 to be able to undertake a self-assessment as a stop gap until the new standards are released.

##### RECOMMENDATION(S)

- **That the reports be considered and noted; and**
- **The Five Yearly External Quality Assessment be deferred until after the new Global Internal Audit Standards become effective in January 2025**

##### REASON(S) FOR THE RECOMMENDATION(S)

*The above recommendations are required to ensure that the Audit Committee agree and accept the contents of the report.*

##### ALTERNATIVE OPTIONS CONSIDERED

*The External Quality Assessment could be undertaken sooner, however additional resources would be required to do so when the impact is considered low risk.*

## PART 2 – IMPLICATIONS OF THE DECISION

<b>DELIVERING PRIORITIES</b>	
<p>Provision of adequate and effective internal audit helps demonstrate the Council's commitment to corporate governance matters. It also links in with the Council's key priorities of 'Delivering high quality services' and having 'Strong finances and governance'.</p>	
<b>LEGAL REQUIREMENTS (including legislation &amp; constitutional powers)</b>	
<p>The Council has a statutory responsibility to maintain adequate and effective internal audit.</p> <p>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.</p>	
<b>FINANCE AND OTHER RESOURCE IMPLICATIONS</b>	
<p><b>Finance and other resources</b></p> <p>The Internal Audit function is operating within the budget set. Recruitment and retention remains to be the biggest risk of not being able to deliver the Internal Audit Plan. This is continuously monitored and the Audit Committee are updated with any issues accordingly.</p>	
<b>USE OF RESOURCES AND VALUE FOR MONEY</b>	
<p><i>External Audit expect the following matters to be demonstrated in the Council's decision making:</i></p> <p>A) <i>Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;</i></p> <p>B) <i>Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and</i></p> <p>C) <i>Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.</i></p> <p><i>As such, set out in this section the relevant facts for the proposal set out in this report.</i></p> <p>The following are submitted in respect of the indicated use of resources and value for money indicators:</p>	
<p>A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;</p>	<p><b>Budgets are reported to the Audit Committee annually to review. The Internal Audit Manager regularly monitors those budgets throughout the year to ensure that they remain adequate and do not overspend.</b></p>
<p>B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and</p>	<p><b>The Internal Audit Charter sets out the roles and responsibilities of both the Audit Committee and the Internal Audit function. The powers of the Audit Committee and the</b></p>



	<b>role of Internal Audit is also set out within the Councils Constitution.</b>
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	<b>Internal Audit continues to monitor new working practices in order to streamline processes and improve performance and potentially reduce costs. Internal Audits undertaken may support services in doing the same and potential reduce overall costs to the Council.</b>
<b>MILESTONES AND DELIVERY</b>	
Review of recommendations and decision to be made on 26 <sup>th</sup> January 2023 by the Audit Committee	
<b>ASSOCIATED RISKS AND MITIGATION</b>	
<p>Review of the functions of the Council by Internal Audit assists in identifying exposure to risk, and its mitigation.</p> <p>As this report is a periodic update report, there is no exposure to strategic risks within the Councils Risk Management Framework. There is however an operational risk of being unable to complete and deliver the internal audit plan and be unable to provide the Head of Internal Audit Annual Opinion.</p>	
<b>OUTCOME OF CONSULTATION AND ENGAGEMENT</b>	
<p>Internal Audit activity assists the Council in maintaining a control environment that mitigates the opportunity for crime.</p> <p>During the course of internal audit work issues regarding equality and diversity, and health inequalities may be identified and included in internal audit reports.</p> <p>There is no specific effect on any particular ward.</p>	
<b>EQUALITIES</b>	
There are no equality impacts directly associated with this progress report. However they will need to be considered as part of any improvement / remedial actions undertaken by the relevant Service where necessary.	
<b>SOCIAL VALUE CONSIDERATIONS</b>	
The following report is for information only and does not have a social value impact as set out within the template guidance.	

<b>IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030</b>	
The following report is for information only and does not have an environmental impact as set out within the template guidance.	
<b>OTHER RELEVANT IMPLICATIONS</b>	
<i>Set out what consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are then set out below.</i>	
<b>Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.</b>	
<b>Crime and Disorder</b>	N/A
<b>Health Inequalities</b>	N/A
<b>Area or Ward affected</b>	N/A
<b>ANY OTHER RELEVANT INFORMATION</b>	
N/A	

**PART 3 – SUPPORTING INFORMATION**

<b>BACKGROUND</b>
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.
<b>PREVIOUS RELEVANT DECISIONS TAKEN BY COUNCIL/CABINET/COMMITTEE ETC.</b>
N/A

## INTERNAL AUDIT PROGRESS 2023/24

A total number of seven audits were completed during September 2023 to December 2023 period. All audits completed received a satisfactory level of assurance with no significant issues to report.

At time of writing, one audit (Financial Resilience) is currently at Draft Report stage awaiting finalisation. A further seven audits from the 2023/24 Internal Audit Plan are in fieldwork phase. The final nine audits from the plan will be risk assessed and allocated based on available resource.

Although we currently have nine audits due to be scoped and progress in this quarter we are not too far behind where we were at this time last year therefore there is currently no concern at this stage as to whether enough audit work will be completed by the end of the financial year in order to be able to provide the Head of Internal Audit Annual Opinion.

If any change to the audit plan is required the Audit Committee will be updated accordingly.

The majority of the key system audits are now complete or nearing completion which hold significant weight when contributing to the annual opinion.

**Quality Assurance** – The Internal Audit function issues satisfaction surveys for each audit completed. Three surveys have been received of the seven reviews undertaken, all providing a satisfactory response to the service provided.

### Resourcing

Internal Audit is currently has an establishment of 4 fte posts with access to a third party provider of Internal Audit Services for specialist audit days as and when required. We currently have an Audit Technician post vacant.

A member of the team has been off sick since the beginning of November therefore in order to try to ensure that we are not too far behind in delivering the audit plan, overtime has been approved for a member of staff during this period.

It was also reported at the last committee meeting that an apprentice had started with the team to provide administrative support. I am pleased to report that the apprentice has now gained full time employment within the Council. Unfortunately for the audit team, we have now lost that administrative support and will need to look to recruit another apprentice in the near future.

### 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 2022/23 Plan	
Substantial		3	7	
Adequate		3	12	

Improvement Required		0	0	
Significant Improvement Required		0	0	
No Opinion Required		1	2	Two consultative engagement in 2023/24 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 this period of completed audits.

**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	3	
Overdue less than 3 months	2	
Not yet due	0	

### Update on previous significant issues reported

All previous significant issues are now provided within Appendix B of this report.

### EXTERNAL QUALITY ASSESSMENT

An external quality assessment is recommended for Internal Audit functions every five years as per the Public Sector Internal Audit Standards (PSIAS).

The five year External Quality Assessment remains outstanding, however as the new Global Internal Audit Standards are effective from January 2025 it is recommended that the external assessment be delayed until the new standards are effective. Any assessment undertaken now would require more work at a later date when the new standards are introduced to ensure that the team meets the requirements of the supplementary standards.

The Institute of Internal Auditors will be releasing guidance in March 2024 to be able to undertake a self-assessment as a stop gap until the new standards are released. A Quality Assurance Improvement Programme (QAIP) will be carried out against this new guidance to ensure that a review is undertaken between March 2024 and the release of the new standards in January 2025.

A procurement process will then need to be completed to choose an external provider to carry out the external assessment.

## APPENDICES

*Appendix A – 2023/24 Internal Audit Progress Report*  
*Appendix B – Agreed Action Tracking*

## REPORT CONTACT OFFICER(S)

*Include here the Name, Job Title and Email/Telephone details of the person(s) who wrote the report and who can answer questions on the content.*

<b>Name</b>	<b>Craig Clawson</b>
<b>Job Title</b>	<b>Internal Audit Manager</b>
<b>Email/Telephone</b>	<a href="mailto:cclawson@tendringdc.gov.uk">cclawson@tendringdc.gov.uk</a> <b>01255 686531</b>

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<b>Tendring District Council Internal Audit</b>			
<b>2023/24 Internal Audit Plan Progress Report</b>			
<b>Audit Title</b>	<b>Status December 2023</b>	<b>Audit Scope Summary</b>	<b>Audit Opinion</b>
<b>Key Systems / Key Financial Risk Areas</b>			
Procurement	Allocated	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	To ensure that the control framework in place when processing housing benefit claims is strong and all legislative and regulatory requirements are met by the service	To be confirmed
National Non Domestic Rates	Complete	To ensure that the control framework in place when processing business rate applications is strong and all legislative and regulatory requirements are met by the service	Substantial Assurance
Main Accounting System Budgetary Control	Fieldwork	To review processes and procedures relating to the management of the Councils financial accounting system and ensure that all legislative and regulatory requirements are met. This includes budgetary control across all departments within the Council	To be confirmed
Corporate Governance	Complete	To ensure that the Council have a strong Corporate Governance framework in place. The CIPFA Code of Corporate Governance is used as a guide and comparison	Substantial Assurance
Council Tax	Complete	To ensure that the control framework in place when processing Council Tax applications is strong and all legislative and regulatory requirements are met by the service	Substantial Assurance

Payroll	Complete	To review all procedures and internal controls relating to payroll and the processing of employees and members pay.	Substantial Assurance
Treasury Management	Complete	A full review of the internal controls and procedures relating to investing Council monies as well as short and long term borrowing	Substantial Assurance
Project Management	Fieldwork	To review the agreed strategic process for project management and ensure that it is followed within a sample of key projects	To be confirmed
Contract Management	Fieldwork	To ensure that contract management processes are followed within each department of the Council in order to determine the efficiency and quality in service delivery. This will be undertaken at the same time as Project Management as there synergies between the two audits	To be confirmed
Financial Resilience – Use of Resources	Draft Report	To assess the resilience of the Councils agreed budget and ensure resources are being used as efficiently as possible in order to mitigate and plan for the agreed budget pressures	To be confirmed
Partnerships – Health External Funding	Complete	To review the governance processes around the receipt of funding from partners specifically relating to health.	Substantial Assurance

Page 20

Other Services / Systems			
Housing Peer Review	Unallocated	To identify the outcomes from the Housing Peer Review and support the service in implementing any recommendations / agreed actions from it.	To be confirmed
Social Housing Regulation Bill – Implementation Plan	Unallocated	To support the service in implementing any new requirements from the bill and to help reinforce any processes that should already be in place.	To be confirmed
Housing Repairs and Maintenance	Allocated	To assess the internal control environment for the reactive maintenance for the in house team and the external contractors undertaking works	To be confirmed
Leisure Estate – Efficiencies and Cost Pressures	Complete	To identify and assess inefficiencies and costs within the leisure service and determine what options are available to improve, resolve or do things differently	Consultative



Levelling Up Fund	Allocated	To provide support and advice during all projects / initiatives related to the Levelling Up Fund.	Consultative
<b>Building Control</b>	<b>Complete</b>	<b>To review the effectiveness of the Building Control service and the management of operational services, strategic priorities and income management</b>	<b>Adequate Assurance</b>
Careline Service – Follow Up	Allocated	Follow Up on recommendations made from the previous audit and reassess key areas of the business.	To be confirmed
Contact Centre - Digitalisation	Complete	To support the service in implementing digital solutions within the business area	Adequate Assurance
Planning Development – Decision Making	Fieldwork	<b>To evaluate specific processes relating to decision making within the service area and determine whether any procedural improvements can be made</b>	To be confirmed
Housing Allocations – Follow Up	Unallocated	Follow Up on recommendations made from the previous audit and reassess key areas of the business.	To be confirmed
Asset Management	Complete	<b>To review the internal controls and procedures related to asset management within the organisation</b>	<b>Adequate Assurance</b>
Freeport East	Allocated	<b>Days allocated to support the Council in meeting the objectives related to Freeport East. The Heads of Internal Audit for all areas across the country where a Freeport has been agreed are due to meet later in the year</b>	Consultative

<b>Emerging Risks from Legislative Changes</b>	<b>Fieldwork</b>	<b>To assess the potential risks the Council may face in the event of legislation changes made by central government</b>	<b>To be confirmed</b>
Jaywick Sands - Sunspot	Complete	To review the development of Sunspot and determine if there are any lessons learnt from the project which could support any future projects of a similar nature	Consultative
Risk Management	Unallocated	Required annually under PSIAS and Cipfa guidance. To review the Councils risk management framework.	To be confirmed
<b>External Funding</b>	<b>Fieldwork</b>	<b>To assess procedures relating to receiving external funding and the distribution of funds aligned to constitutional requirements</b>	<b>To be confirmed</b>
IT Audit			
<b>Cyber Security</b>	<b>Complete</b>	<b>IT continues to be one of the biggest risk areas to all organisations. Governance arrangements and project delivery to be within scope</b>  <b>Consultative review as the programme progresses.</b>	<b>Adequate Assurance</b>
IT Governance	Allocated	PSIAS expectation that this will be covered each year	To be confirmed

### Status Key

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



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Audit Title	Finding	Finding Issue / Risk Identified	Agreed Action Description	Finding	Due Date	Service Response	Internal Audit Status
Housing Repairs and Maintenance	05 - Tenancy Information	<p>Every housing unit should have an identified tenant, or clearly marked as void if between tenants.</p> <p>Updated records are necessary to ensure the customer service team know they are dealing with the tenant at the address and enable any security checks needed as well as complying with any data requirements.</p> <p>There is currently no regular updating of tenant details if they move in or out. Similarly, it is understood that initially that tenant details needed to be completed manually during initial rollout of software. As a consequence, there is limited confidence that all addresses have a tenant listed and there may be a few rogue overlooked blank entries in the database, where no visits have been needed.</p>	Liaise with IT to identify a data linkage method where existing records held on tenancy system can be exported to Housing Repairs software to ensure the records are current.	Major	31/10/2022	Data integration work is still ongoing with Oneserve. All requirements for data has been set up and provided from TDC and delays continue with Oneserve to impement the integrations. This is being chased frequently and should be resolved with full implementation in a few weeks.	Still ongoing. Continue to monitor.
Housing Repairs and Maintenance	08 - Lack of Clear Record Keeping	<p>All works should show a clear audit trail from initial contact to final payment, and all stages between.</p> <p>In a case brought to the Housing Ombudsman against the council, one major criticism was absence of clear and comprehensive record keeping. This is also crucial in any legal defence against growing Housing Disrepair Claims.</p> <p>Although some measures have been brought in, it is considered there is still room for some improvement.</p> <p>Examples include:</p> <ul style="list-style-type: none"> <li>- Lack of notes for any calls received</li> <li>- Quotes and relevant correspondence not attached to OneServe record</li> <li>- Evidence of chasing overdue works</li> <li>- Communications to third parties not always available to other officers</li> <li>- Plethora of locations where documentation is stored - e-mails, drives, iAuditor, photos on drive and OneServe, calendar appointments, invoices, etc.</li> <li>- No central access to invoices if key officer absent</li> </ul> <p>Some elements on software not completed</p>	<p>New procedure and process to be implemented so that information is captured centrally.</p> <p>This will be examined as part of Housing Repairs software review to identify what options are available and any subsequent officer training carried out.</p>	Major	31/10/2022	<p>A working group which is being led by Corporate and Assistant Corporate Director has been set up in response to a definitive list of our requirements being compiled ensuring the information gathered is fit for purpose and in reaction to developing needs following the introduction of a new regulatory regime and charter placing a much greater emphasis on accurate data availability through robust record keeping.</p> <p>Additionally, IT have confirmed that the new responsive work flow has various stages which captures all relevant information from a job's creation to invoicing. It also records failed access and can be tracked on times and dates when access was gained and failed. This data will be able to feed into the central asset management system (Lifespan) being set up through a separate project.</p>	<p>Continue to monitor whether the working group remains in place until the oneserve system is fully operational. To become a regular review as part of the annual audit process.</p> <p>No further action at this stage</p>
Depot Operations	04 - Lack of Stores Stock Takes	<p>In order to manage and control stock and check the integrity of the stock system against system error or potential theft, stock takes are necessary to ensure what is recorded on the system matches with the physical stock.</p> <p>An ad-hoc stock take of a few random lines was undertaken during the audit, which identified a few discrepancies.</p> <p>It was advised there are no regular stock takes - either checking a number of lines or a complete one. A lack of resource was provided as the main reason due to manual methodology of other tasks taking time.</p>	<p>To actively manage stock, regular stock takes are to be introduced, at a minimum frequency of a month.</p> <p>Current software to be used to monitor stock, but stocktakes will be continued using any replacement software, following current review of options.</p>	Major	30/09/2022	<p>COMPLETED - This is now completed regularly and will now be easier to undertake as the recruitment of the Depot and Procurement Officer and Depot Admin Assistant are now in post as a resource issue previously had prevented them being undertaken as regularly as we would have liked. IT will be liaising with Depot and Procurement Officer after substantive rebuild has been completed as this is on the list of items to be addressed via Oneserve.</p>	<p>One element of the process is now complete within oneserve and stock/warehouse control is restricted to only two members of staff. Regular stock takes are undertaken.</p> <p>Awaiting the barcoding app to be complete to be integrated with the standalone stock system. Est date November 2023</p> <p>Continue to monitor.</p>

Audit Title	Finding	Finding Issue / Risk Identified	Agreed Action Description	Finding	Due Date	Service Response	Internal Audit Status
Recycling and Waste	Garden Waste Income	<p>The Garden Waste service has significantly grown since the introduction of the function.</p> <p>In order to effectively manage and monitor the service, several operational controls should be place.</p> <p>Currently, there is no master list to confirm total number of garden waste customers. This has lead to a lack of reconciliations, which essentially, prevents the team from checking income against customer figures.</p> <p>In line with the above, invoices are unclear which has made it challenging to establish charges for individual bin collections. Therefore, the team are uncertain whether the Council are being correctly charged, per bin.</p>	<p>Garden waste data to be transferred to Firmsteps, in order to verify total number of customers.</p> <p>Transparency of garden waste invoices also to be sought, to enable confirmation of charges.</p> <p>Once complete, full monthly reconciliations to be carried out and checks by management to be evidenced.</p>	Major	30/09/2023	<p>Analysis has been undertaken to determine the level of income that needs to be recovered due to garden waste being collected from properties that have not renewed or paid their subscriptions.</p> <p>The Assistant Director for the service will be attending the Audit Committee to provide a more detailed update.</p>	<p>Update provided at Audit Committee (Sept 2023)</p> <p>Continue to monitor.</p>
Careline	Management of Debtors	<p>Service users should pay on a monthly basis, using a direct debit mandate. Where funds are unable to be taken, the council's debtors procedure is initiated and a series of up to three letters are sent until payment is made.</p> <p>Should no payment be received, then the debt is returned to the department for further decision and action.</p> <p>At current, there is only a very ad hoc process in place and no scheduled monthly action. A spreadsheet is maintained and updates added by the officer managing the debt. The spreadsheet shows that several months can elapse between contacts with the debtor, and follow up is not always prompt.</p> <p>This has lead to a build up of debt, some quite long term.</p>	<p>Outstanding debts to be reviewed and actions taken to progress these and substantially reduce the outstanding amount.</p> <p>Options may include write off, further chasing or review supply of service if longer term non-payment. In the latter event, there needs to be a formal process developed where especially vulnerable users are concerned.</p> <p>In addition, a new process involving a responsible officer will be introduced to monitor and manage ongoing outstanding debtors on a consistent regular basis, once the Corporate Debtors Policy process of automated letter has been exhausted and the debt returned to the department.</p>	Major	30/09/2023	<p>Has been addressed, as the debt collection role has been increased to full time from the 2 Jan 24. The extra time is being used to chase old debts and ensure that the correct invoices are being issued for service users, the officer is also reviewing the type of debts that would need to be written off as they are not viable to be collected.</p>	<p>Evidence provided relating to the reduction of outstanding debt.</p> <p>No further action required</p>
Careline	Strategic Direction of Careline	<p>In 2021, Careline won the contract to provide local Careline out of hours coverage for Essex County Council (managed by Provide), using it's established team and building on work already undertaken for them.</p> <p>During the timescale of the audit, it became apparent that the service struggled to provide the expanded contractual service required and consistently underperformed call response times, with one of the major contributing factors being the availability of trained officers.</p> <p>Awareness of the situation extended to senior managers and led to discussions at a higher level, including contributions from Legal, Partnerships and Management Team.</p>	<p>For the short term, the service will concentrate on exiting the Provide contract in a professional manner, including continuing liaison meetings and ensuring all data and GDPR obligations are carried out as required.</p> <p>Subsequently, the service will be reviewed and future strategic direction decided. Current options include a pivot to organic growth from private users, smaller contracts and continuing to work with Provide in other capacities. There are also options to explore, including integration of some healthcare services.</p> <p>Whatever options are chosen, one of the first targets will be renewed accreditation with the industry standards, TSA.</p>	Major	30/09/2023	<p>Provide contract was removed in July 2022. TSA accreditation currently in place, due to be externally audited in April 24. Ongoing Careline review being carried out due to be finalised in March 2024.</p>	Service review ongoing. Continue to monitor.

## AUDIT COMMITTEE

25 January 2024

### REPORT OF ASSISTANT DIRECTOR FINANCE & IT

#### A.2 AUDIT COMMITTEE – TABLE OF OUTSTANDING ISSUES

(Report prepared by Richard Barrett and Karen Hayes)

#### 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.

##### 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 within **Appendix A**.
- Updates against the Annual Governance Statement actions are usually presented within this report. However, work remains ongoing to provide the Committee with the most up to date position which will be completed in readiness for the March 24 meeting.
- 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.

##### RECOMMENDATION(S)

It is recommended that the Committee notes and considers the progress against the actions set out in **Appendix A**.

##### REASON(S) FOR THE RECOMMENDATION(S)

To provide a timely update to the Committee along with reassurances that actions previously identified are being addressed accordingly.

##### ALTERNATIVE OPTIONS CONSIDERED

There are no alternative options associated with this report.

#### 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.	
<b>LEGAL REQUIREMENTS (including legislation &amp; constitutional powers)</b>	
There are no direct legal implications associated with this report.	
<b>FINANCE AND OTHER RESOURCE IMPLICATIONS</b>	
<b>Finance and other resources</b>	
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.	
<b>USE OF RESOURCES AND VALUE FOR MONEY</b>	
The following are submitted in respect of the indicated use of resources and value for money indicators:	
A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	Not directly applicable
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	Not directly applicable
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	Not directly applicable
<b>MILESTONES AND DELIVERY</b>	
The Table of Outstanding Issues is presented to the Audit Committee at each of its standard meetings.	
<b>ASSOCIATED RISKS AND MITIGATION</b>	
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.	
The 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.	
<b>OUTCOME OF CONSULTATION AND ENGAGEMENT</b>	
There is no requirement to seek consultation on this report. This is a public document to be presented to the Audit Committee.	
<b>EQUALITIES</b>	
The Table of Outstanding Issues aims to deliver fairness, transparency and consistency to all customers and stakeholders.	
<b>SOCIAL VALUE CONSIDERATIONS</b>	
The Table of Outstanding Issues is in itself a response to potential risk exposure, including considerations towards social value, with further activity highlighted to address matters raised by the Audit Committee.	



<b>IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030</b>	
The governance arrangements associated with the Council's aim to be net zero by 2030 fall within the Audit Committee's terms of reference and an update was provided to the Committee at its last meeting.	
<b>OTHER RELEVANT IMPLICATIONS</b>	
Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.	
<b>Crime and Disorder</b>	Not applicable
<b>Health Inequalities</b>	Not applicable
<b>Area or Ward affected</b>	All Wards could be affected
<b>ANY OTHER RELEVANT INFORMATION</b>	
None	

### **PART 3 – SUPPORTING INFORMATION**

<b>BACKGROUND</b>
<b>TABLE OF OUTSTANDING ISSUES</b>
<p>The Table of Outstanding Issues has been reviewed and updated since it was last considered by the Committee in October 2023.</p> <p>There are usually two main elements to this report as follows:</p> <ol style="list-style-type: none"> <li>1) Updates against general items raised by the Committee – <b>APPENDIX A</b></li> <li>2) Updates against the 2023 Annual Governance Statement Action Plan – <b>APPENDIX B</b></li> </ol> <p>In terms of Item 1 above, there are no significant issues to raise, with actions remaining in progress or further details set out below. In terms of Item 2, as highlighted earlier it is proposed to defer an update to the March 24 meeting of the Committee; to enable the most up to date position to be collated and finalised.</p> <p><b><u>Outstanding actions – further details along with other issues identified</u></b></p> <p><b><u>Continuing External Audit delays and an update on the External Auditor's work on the Council's Statement of Accounts 2020/21</u></b></p> <p>To date, no further update has been received from the Council's Auditors (BDO). In response to previous discussions on this issue at both Full Council and directly at the Audit Committee, the Chief Executive wrote to senior management at BDO setting out the Council's disappointment and frustration with the ongoing external audit delays, and requested their assurance on the following matters:</p> <ul style="list-style-type: none"> <li>• They will prioritise the Local Government sector as soon as possible this year;</li> <li>• They will prioritise the completion of the 2020/21 accounts for Tendring District</li> </ul>

Council, especially as it is understood there are only two issues outstanding that should be reasonably straightforward to resolve by taking a pragmatic / proportionate approach;

- Their value for money opinion / commentary on our 2020/21 accounts will reflect the Council's most up to date position, which in turn will support us in continuing to demonstrate sound financial management / stewardship to all of our stakeholders; and
- They will prioritise / balance the associated audit work on the Council's 2021/22 and 2022/23 accounts to avoid qualified opinions being issued because you have not been able to undertake the necessary assurance work by the proposed statutory deadlines.

To date no response has been received. The Council's External Auditors have been asked for an update which it is assumed will be provided directly at the Committee's meeting.

### **RIPA – Regulatory Investigatory Powers Act 2000**

This Authority has not conducted any RIPA activity in the last quarter and it is rare that it will be required to do so.

### **Whistleblowing**

This Authority has not received any Whistleblowing information since the adoption of the Whistleblowing Policy in July 2023. As part of the monitoring arrangements associated with the effectiveness of this policy, relevant updates will be provided to this Committee during the year.

### **Other matters to highlight**

Following the Committee's consideration of the Corporate Risk Register at its meeting in July 2023, the next six monthly update was scheduled for January 2024. Work remains ongoing to collate and finalise timely updates against the various items within the Corporate Risk Register, which will be reported to the March 24 meeting of the Committee: in effect this puts the six monthly reporting cycle back to the original dates of March and September.

### **PREVIOUS RELEVANT DECISIONS TAKEN BY COUNCIL/CABINET/COMMITTEE ETC.**

The Table of Outstanding Issues is presented to the Committee at each of its meetings.

### **BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL**

None

### **APPENDICES**

**Appendix A – Table of Outstanding Issues (January 2024) – General**

<b>REPORT CONTACT OFFICER(S)</b>	
<b>Name</b>	<b>Richard Barrett</b>
<b>Job Title</b>	<b>Assistant Director Finance &amp; IT</b>
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<b>Name</b>	<b>Karen Hayes</b>
<b>Job Title</b>	<b>Executive Projects Manager – Governance</b>
<b>Email/Telephone</b>	<a href="mailto:khayes@tendringdc.gov.uk"><u>khayes@tendringdc.gov.uk</u></a>

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**AUDIT COMMITTEE - Table of Outstanding Issues (January 2024) - GENERAL**

Governance Principle and Issue	Recommendation / Issue	Lead / Service	Progress / Comments	Status – Target Date
<p><b>Developing the entity’s capacity, including the capacity of its leadership and the individuals within it.</b></p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 33</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 &amp; 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 development of a Formal Training Programme remains ongoing which will include as necessary:</p> <ol style="list-style-type: none"> <li>1. Joint general training with other Essex Authorities.</li> <li>2. Statement of Accounts training, timing of which remains subject to the reporting of the accounts to the Committee.</li> <li>3. The role of Internal Audit Anti-Fraud and Corruption Strategy</li> <li>4. Corporate Governance and Assurance in a Local Authority setting</li> <li>5. Role and appointment of External Audit</li> <li>6. Risk Management</li> </ol> <p>The above are subject to external training providers’ availability and</p>	<p><b>Given the Local Elections in May 2023, the first training session, ‘Your Role on The Audit Committee’, was delivered in June 23.</b></p> <p><b>Further modules will be delivered during 2024/25.</b></p>

			associated procurement processes.	
<b>Ensuring Openness and Comprehensive Stakeholder Engagement - Planning Enforcement</b>	<p>At its meeting on 26 January 2023, the Committee resolved:</p> <p>That it will re-examine, in due course, the Planning Enforcement function as regards to its effectiveness and efficiency, once the new Policy is fully implemented and all enforcement staff are in place.</p>	Director of Planning	<p>The Planning Enforcement Policy and associated Harm Risk Assessment was agreed for adoption by the Planning Committee on 28 Sep 23.</p> <p>The Planning Enforcement Team is now fully staffed with permanent Officers and all temporary agency support has ceased. The number of recorded live/outstanding enforcement complaints has halved in size between June 2022 and September 2023 following a fundamental review of cases.</p> <p>A further Task &amp; Finish Group looking into Enforcement across the Council, including certain aspects of Planning Enforcement has made recommendations for further improvements that have been agreed by the Resource and Services Overview and Scrutiny Committee for consideration by the Cabinet in January 2024. The recommendations focus mainly around sharing information on cases with Ward Members, ensuring joined up working across the services and public interest is</p>	<b>Cabinet to consider the recommendations of the Resource and Services Overview and Scrutiny Committee at its meeting in January 2024.</b>

			considered when determining appropriate courses of action. Some of the suggested improvements have already been put in place.	
<p><b>Determining the Interventions Necessary to Optimise the Achievement of the Intended Outcomes - The Redmond Review</b></p> <p>Page 35</p>	The Audit Committee have received on a regular basis updates in respect of the outcomes of the Redmond Review. The Government and other associated bodies continue to undertake the various activities to implement the Redmond Review recommendations.	Assistant Director Finance and IT	The last update provided to the Audit Committee was included in the main body of the Table of Outstanding Issues report, presented at the 05 Oct 23 meeting.	<b>As further progress is announced by the government, updates will be provided to future meetings of this Committee, which will hopefully set out the necessary practical steps to implement the recommendations made as part of this review. At the time of writing, no updates were available.</b>
<p><b>Determining the Interventions Necessary to Optimise the Achievement of the Intended Outcomes – Office for Local Government (OFLOG)</b></p>	On the 05 Oct 23, the Audit Committee received an update on changes to upcoming regulatory requirements and establishment of OFLOG. The Committee requested additional information on this future regulatory reform.	Assistant Director Governance	Future opportunities to provide additional information to Members will be explored e.g. an All Member Briefing.	<b>This item will be put forward as a proposed agenda item within the most appropriate forum.</b>

<p><b>Defining Outcomes in Terms of Sustainable Economic, Social and Environmental Benefits – Climate Change</b></p>	<p>At its meeting on the 05 Oct 23, the Committee resolved that:</p> <p>The Portfolio Holder for the Environment be requested to oversee the development of a Climate Action Plan from 2024, with its ambitions and actions set in the context of current national policy.</p>	<p>Corporate Director Place and Economy</p>	<p>The Council has contracted with APSE Energy to review our carbon emissions for 2022/23 as a baseline for the Action Plan 2024-27. Officers have completed a first draft of the action plan, which is currently being refined to be sent to APSE Energy for comment in Feb 24. The Consultants will review the carbon impact of the proposed actions and advise and a trajectory for the Council to become net zero. The Council will need to review the cost implications of the off-setting required to reach net zero and the costs of investments to reduce our underlying carbon emissions.</p>	<p><b>The report is due to go to Cabinet in April or May 24 and will be available to the Committee at that point.</b></p>
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