

AUDIT COMMITTEE

26 SEPTEMBER 2019

REPORT OF DEPUTY CHIEF EXECUTIVE

A.3 AUDIT COMMITTEE – TABLE OF OUTSTANDING ISSUES

(Report prepared by Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present to the Committee the progress on outstanding actions identified by 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.
- There are usually two appendices to this report – 1) updates against general issues previously identified by the Committee and 2) updates against the Annual Governance Statement that the Committee agrees at its July meeting each year.
- As there are no outstanding actions in respect of general issues identified by the Committee, only updates against the Annual Governance Statement are included. **(Appendix A)**
- 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 Risk Based Verification policy was scheduled to be reported to the September meeting of the Committee. However it is proposed to amend the annual reporting cycle so it is agreed in March each year, just ahead of the start of the financial year it relates to.
- Similarly to the above, the review of the Anti-Fraud and Corruption Strategy is proposed to be presented to the January meetings of the Committee each year instead of September as initially included on the work programme.

RECOMMENDATION(S)

That the Committee:

- a) Notes the progress on the outstanding issues;**
- b) approves a change to the annual review cycle for the Risk Based Verification Policy with the Committee now considering the policy at its March meeting each year instead of its September meeting; and**
- c) that subject to b) above, agrees that the Risk Based Verification Policy approved by the Committee at its meeting in September 2018, remains in place for the period up to 31 March 2020.**

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.

Risk

The Table of Outstanding Issues is in itself a response to potential risk exposure with further activity highlighted to address matters raised by the Audit Committee.

LEGAL

There are no direct legal implications associated with this report.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

This report does not have a direct impact although such issues could feature in future recommendations and actions. Any actions that may have an impact will be considered and appropriate steps taken to address any issues that may arise.

PART 3 – SUPPORTING INFORMATION

TABLE OF OUTSTANDING ISSUES

An update against actions relating to the Annual Governance Statement is set out in **Appendix A.**

There are no significant issues to highlight to date with work scheduled or remaining in progress on all actions agreed.

The annual review of Council's Risk Based Verification Policy was originally scheduled to be presented to the September 2019 meeting of the Committee. However based on a review of associated Government guidance, it is noted that Councils should not make changes to the policy in-year. Although there are no changes to the policy required at this point in time, there may be changes in subsequent years which could not be implemented from a September date. Therefore it is proposed to revise the annual review cycle to March each year. The policy presented to the Committee at its March meeting each year would therefore come into force from the start of the new financial year.

However to ensure that there remains a 'live' policy in place, it is proposed to continue with the existing policy that was agreed by the Audit Committee at its September 2018 meeting which would cover the period up to 31 March 2020.

The Anti-Fraud and Corruption Strategy, was also initially scheduled to be presented to the

September meeting of this Committee. However the last review was undertaken by the Committee in January 2019 with a 12 month review therefore not required until January 2020. Although an earlier review could be undertaken, similarly to the above issue relating to the Risk Based Verification policy, it would seem logical to undertake the review later in the year in readiness for its implementation from the start of the new financial year. Therefore the annual review of the Anti-Fraud and Corruption Strategy is proposed to be deferred until the January 2020 meeting of the Committee.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A - Table of Outstanding Issues (September 2019) - Annual Governance Statement Actions