

AUDIT COMMITTEE

25 FEBRUARY 2021

REPORT OF ASSISTANT DIRECTOR (FINANCE & IT)

A.4 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 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, external audit recommendations and the Annual Governance statement within **Appendix A, B, and C** respectively.
- The Government's initial response to the recent Redmond Review is summarised within **Appendix D**. The Government plan on providing a full response in the spring.
- 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)

That the Committee considers and notes the progress against the actions set out in Appendices A to C along with the Government's initial response to the Redmond review set out in Appendix D.

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

The Table of Outstanding Issues has been reviewed and updated since it was last considered by the Committee in October 2020.

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

- 1) **Appendix A** – Provides updates against general items raised by the Committee. Two items reported to the last meeting of the Committee have now been removed as they have been completed or are being monitored elsewhere. These relate to:
 - i) the evacuation procedures in the event of a major flooding incident where the system previously referred to has now gone 'live'; and
 - ii) the audit of the effectiveness of the Council's response to the Coronavirus public health emergency, which is now within the regular reports of the Internal Audit Manager.
- 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 has been 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 into 2021/22 as required.

Other issues

Redmond Review

Sir Tony Redmond, a former council treasurer and local government ombudsman, was asked by the Government to look at the effectiveness of external audit.

A summary of recommendations emerging from Sir Tony's review were presented to the Audit Committee back in October 2020. At that time, the response from the Government was still awaited. The Government have now published their initial response.

Sir Tony made 23 recommendations relating to the quality, timeliness and sustainability of local audit, and the transparency of local authority accounts. The Government have

therefore grouped its response into the following 5 themes, which are summarised in **Appendix D**.

- **Action to support immediate market stability**
- **Consideration of system leadership options**
- **Enhancing the functioning of local audit, and the governance for responding to its findings**
- **Improving transparency of local authorities' accounts to the public**
- **Action to further consider the functioning of local audit for smaller bodies**

Many of the responses indicate that the Government will either be liaising with the relevant stakeholders or will be considering some recommendations further, with their full response expected in the Spring.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A – Table of Outstanding Issues (February 2021) – General

Appendix B – Table of Outstanding Issues (February 2021) – External Audit Recommendations

Appendix C - Table of Outstanding Issues – (February 2021) - Update against 2020/21 Annual Governance Statement Actions

Appendix D – Summary of the Government's Initial Response to the Redmond Review