

AUDIT COMMITTEE - Table of Outstanding Issues (March 2017)

GENERAL					
Governance Area	Activity / Subject	Recommendation / Issue	Lead Service	Progress / Comments	Status - Target Date
Risk Management	Effective Management of the Council's Property Portfolio	Following the Audit Committee's training session on 23 October 2014, Officers were requested to keep the Committee up to date with the property risk audit that is to be undertaken in partnership with the Council's insurers.	Head of Finance and Revenues and Benefits	A representative from the new insurers will be visiting the Council in early 2017/18 to take this action forward.	April / May 2017
Recommendations from the External Auditor	Certification of Claims and Returns Annual Report 2014/15	At its 17 March 2016 meeting the Committee considered the External Auditor's Certification of Claims and Returns Report for 2014/15 and approved the following recommendation : [That in respect of the Housing Benefits Subsidy Claim] Perform early extended testing in those areas where errors were identified in 2014-15, to ascertain the extent of similar errors arising in 2015-16.	Head of Finance and Revenues and Benefits	The latest position against the housing benefit subsidy claim for 2015/16 is set out elsewhere on the agenda.	March 2017
Fraud and Compliance	Effective delivery of Corporate Fraud and Compliance activities	At its 17 March 2016 meeting the Committee considered the Table of Outstanding Issues Report which provided an update on the how the Council is delivery non-housing benefit anti-fraud activities and included the key points below: <ul style="list-style-type: none"> • Staff within the Revenues and Benefits Service continue to undergo the necessary training to undertake fraud investigation work. • Anti-fraud activities form part of wider compliance work undertaken by the relevant team that seeks to maximise income for the Council such as undertaking checks on entitlement to Council Tax discounts, undeclared change of circumstances and tenancy fraud. • The Council's overall corporate approach to anti-fraud and associated investigation work across the whole Council needs to be balanced against key priorities and staff capacity. This is being reviewed as part of the wider reorganisation associated with the senior management restructure currently in progress. A further update will be provided to the Committee later in the year when the reorganisation has been completed / embedded. 	Head of Finance and Revenues and Benefits	A number of potential advantages (in respect counter fraud activities) from bringing the Finance and Governance activities together with the Revenues and Benefit function have been identified and reflected in a service restructure which is currently going though a consultation phase. Subject to the outcome of the consultation, it is expected that the proposed changes can start to be implemented from April 2017.	April 2017
The Council's Governance arrangements	Procurement / Contract Arrangements	At its 22 September 2016 meeting, the Committee considered the Table of Outstanding Issues Report, following which it resolved that in light of the recent experiences in connection with the public conveniences contract the Council reviews its current procurement/contract processes to identify if such issues could be prevented in the future.	Head of Finance and Revenues and Benefits	As part of the wider review of procurement processes that are planned for 2017/18, this issue will be taken into account in consultation with Legal Services.	On-going

<p>The Council's Governance arrangements</p>	<p>Procurement / Contract Arrangements</p>	<p>At its meeting on 22 September 2016, the Committee were presented with an update against actions identified as part of the Seafronts Investigation Action Plan. Outstanding actions are as follows:</p> <p>The centralisation of repair / maintenance type work to reduce the potential for untrained staff to become involved in the procurement process continues to be reviewed as there may be a number of potential advantages from this approach.</p> <p>Guidance / Mandatory training remains under development which will include the following key points:</p> <ul style="list-style-type: none"> * Actions to protect the Council from fraud * Expectation of officers if covering another officer's duties where procurement is undertaken * The nature and level of assistance that can be provided to people / organisations bidding for Council work * Disaggregation of works to avoid procurement procedure rules is not permitted * Checks to undertake ensure potential contractors have the capacity and financial stability to deliver the Council's requirements * What activities need to be completed before payment is released to contractors / suppliers * The correct coding of expenditure within the financial systems * Contractors not to be paid in advance unless contractually obliged to do so * 'Spot' checks required by Senior Managers to ensure rules / guidance is being adhered to 	<p>Head of Finance and Revenues and Benefits</p>	<p>A training guide has now been finalised for publication during March 2017. Additional training remains under consideration to compliment this guidance as it is recognised that different officers may require more detailed guidance such as when purchasing under EU procurement rules.</p> <p>It is also planned on placing restrictions within the Council's ordering system to ensure only those officers who have undertaken the necessary training and confirmed that they have read and understood the guidance can place orders.</p>	<p>March 2017</p> <p>On-going</p>
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ANNUAL GOVERNANCE STATEMENT ACTIONS

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Governance Issue	Action	Current Position / Update
Sustainable Resource Deployment	<p>Via the Financial Strategy process, continue to maintain a strong and robust approach to identifying savings and respond to new or additional burdens against the backcloth of the potential for further cuts in Government funding.</p> <p>The forecast budget 'gap' is £1.968m in 2017/18 rising to £5m on a cumulative basis by 2019/20. The budget 'gap' primarily reflects the continuing year on year reduction in Government funding.</p> <p>Financial Resilience remains at the forefront of the financial planning process with money identified where possible to invest in 'spend to save' projects that will in turn support the Council in delivering a balanced and sustainable budget in the long term, by aiming to find savings from within its underlying revenue budget rather than relying on potentially time limited income such as from the New Homes Bonus to balance the budget.</p> <p>Cabinet Members to lead on taking forward savings proposals which will include some difficult decisions such as ceasing service provision, decommissioning assets or reducing the level of services provided.</p>	<p>A balanced budget 2017/18 was agreed by Full Council on 7 February 2017.</p> <p>A key priority for the Council is to now look ahead to the budgets for 2018/19 and 2019/20 which will present a significant financial challenge with early forecasts indicating savings of £3.4m being required.</p>
	<p>A key / overlapping element of work that will be progressed during the year will be how the Council manages and utilises its assets effectively to support the delivery of services and priorities.</p>	<p>The on-going and comprehensive review of assets continues to form an important strand of work associated with the wider office transformation project. Decisions in respect of the Council offices in Weeley have now been taken and are being taken forward along with a number of further asset related initiatives.</p>

<p>Working with Partners and Other Third Parties</p>		
<p>Working with partners effectively to deliver strategic priorities</p>	<p>To ensure that adequate, effective and robust arrangements are in place for the acquisition of sites in the Jaywick area, and with a view to facilitating development or directly developing the sites for housing / regeneration stimulation.</p>	<p>The Council continues to work with partners in progressing / developing the various strands of this major project.</p>
	<p>To continue to play a key role in the development of the Garden Communities Project including key governance and financial arrangements set against open and transparent decision making.</p>	<p>The comprehensive report referred to when this issue was reported to the Committee in September 2016 was presented to Full Council on 29 November 2016, which set out the first steps in this major project. The Council continues to work with partnering authorities to take this project forward with further decisions planned to be presented to members in 2017/18.</p>
<p>Other Major Issues</p>	<p>To revise the Code of Corporate Governance taking account of the new CIPFA/ Solace framework applicable from 2016/17.</p>	<p>A revised Code of Corporate Governance was agreed by the Committee at its 26 January 2017 meeting.</p>
	<p>To continue to embed the arrangements regarding the recording of Officer Decisions and the Scheme of Delegation within Departments.</p>	<p>Training was provided to Senior Officers on the new Committee Management System in 2016, which also covered the requirements for Officer Decisions. The Scheme of Delegation to Officers remains as an on-going activity to reflect the most up to date position in respect of Portfolios and Senior Management Structures.</p>