

AUDIT COMMITTEE

30 June 2022

REPORT OF ASSISTANT DIRECTOR FINANCE & IT

A.2 AUDIT COMMITTEE – TABLE OF OUTSTANDING ISSUES

(Report prepared by Richard Barrett and Karen Townshend)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present to the Committee:

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

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 and the Annual Governance statement within **Appendix A and B** respectively.
- To date there are no significant issues arising from the above, with work remaining in progress or updates provided elsewhere on the agenda where appropriate.

RECOMMENDATION(S)

That the Committee notes and considers the progress against the actions set out in Appendices A and B.

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 April 2022.

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

- 1) Updates against general items raised by the Committee – **APPENDIX A.**
- 2) Updates against recommendations made by the Council's External Auditor – there are no outstanding items.
- 3) Updates against the 2020/21 Annual Governance Statement Action Plan – **APPENDIX B**

In terms of item 1) above, there are no significant issues to raise, with actions remaining in progress. In terms of item 3), a number of activities are now either underway or completed as the recovery from the impact of COVID 19 continues. However, activity remains in progress against all actions and work will continue during 2022/23, as required.

Other issues

The Statement of Accounts 2020/21 remains subject to the conclusion of the work of the External Auditor. At the time of this Committee, the associated report of the External Auditor is yet to be received as they continue their necessary audit work.

At the last meeting of the Committee, the External Auditor provided a report which detailed reasons for the aforementioned awaiting conclusion and states that the audit is not sufficiently progressed to enable to present the Audit Completion Report, citing increasing pressures on the sector and unrealistic target dates. At the present time it is hope to bring this item to the September meeting of the Committee.

RIPA

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

The Covert Surveillance Policy and Procedure Manual Pursuant to the Regulation of Investigatory Powers Act 2000 and Use of Social Media in Investigations Policy and Procedure are now finalised and have been published in May and June 2022 respectively.

Housing Void Rate

The housing void rate issue will now be managed through Financial Performance Reports and has subsequently been removed from the Table of Outstanding Issues. However, if issues arise in the future they will be brought back to this Committee as necessary.

Redmond Review

The government provided a further response to Local Audit Framework: technical consultation as detailed in the Redmond Review on 31 May 22. This is a culmination of the government's response into the effectiveness of external audit and transparency of financial reporting in local authorities and details the first steps taken towards a more coordinated local audit system, in which key players work together to address challenges as they arise.

The response confirms that the new regulator, the Audit Reporting and Governance Authority (ARGA) will act as system leader for local audit. Ahead of ARGA's establishment, shadow arrangements will start at the Financial Reporting Council. Additionally, measures were announced to ease immediate timeliness issues and reduce the financial burden which increased audit requirements placed on councils. Collaboration has accelerated across the current system as key stakeholders have worked closely through the Liaison Committee to deliver a package of measures to improve timeliness. A commitment of £45 million additional funding over the course of the next spending review period to support with the costs of strengthening their financial reporting and increased auditing requirements. Furthermore, the response confirms that once parliamentary time allows, it is planned that Audit Committees become mandatory for all councils, with at least one independent member nominated to each Audit Committee.

The Local Audit Framework technical consultation set out the government's intention to act as interim system leader for local audit before new system leader arrangements were established. This has included the establishment of the new Liaison Committee, which has met 4 times. This forum has enabled strong and positive engagement from across the local audit system on how to balance different priorities and objectives. A primary focus for the Liaison Committee across this period has been the development of measures to address ongoing audit delays and to support the fragile audit market.

The Public Sector Audit Appointments Ltd (PSAA) has continued to progress its procurement strategy for the next round of local audit contracts. In March, PSAA confirmed that 470 out of 475 eligible local bodies had opted-in to its scheme for the procurement of the 23/23-27/28 audit contract, including this authority.

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.

Planning Enforcement Policy

The draft Planning Enforcement Policy was presented to the Corporate Enforcement Group where feedback and comments were invited. The draft policy will now be presented to the Planning Committee in order for it to be formally adopted and it is anticipated this will be at its August meeting.

Careline update

Following the Audit Committee's consideration of the Careline service at its March 22 meeting, a report was presented to Cabinet on 17 Jun 22 which set out options for the future of the Careline service, along with the most up to date position with regard to the improvement actions identified. The actions include the creation of a Careline Board which is attended by senior managers and the Portfolio Holder for Housing. This Board continues to oversee the improvement plan which includes such elements as the monitoring of performance against the TSA KPI's, incoming call volumes, staffing levels and debt management.

Therefore the above establishes an assurance framework to respond to the issues previously reported to the Committee. However, further timely updates will be provided to future meetings of the Committee.

For information a number of options relating to the future of the service, that were considered by Cabinet, with the recommended way forward being to continue to deliver the service to the residents of the District including the identification of the necessary funding to meet and maintain the TSA accreditation requirements.

APPENDICES

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

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