

AUDIT COMMITTEE

22 JUNE 2017

REPORT OF CORPORATE DIRECTOR (CORPORATE SERVICES)

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 against outstanding actions identified by the Committee.

EXECUTIVE SUMMARY

- The Table of Outstanding Issues has been reviewed and updated since it was last considered by the Committee at its 16 March 2017 meeting.
- To date there are no significant issues to bring to the attention of the Committee, with updates provided against individual items set out in **Appendix A** or elsewhere on the agenda where appropriate.

RECOMMENDATION(S)

That the progress against the outstanding issues be noted.

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.

For information the External Auditors Fee letter relating to 2017/18 is attached. This highlights a 2017/18 proposed fee that remains the same as 2016/17. The 2017/18 budget is **£74,840**, which is expected to be sufficient to meet the indicative audit fees including those associated with the certification of the housing benefit subsidy claim once finalised by the PSAA. If the total fees for the year increase due to the cost of additional work that may be required, then this will be managed within the overall budget position.

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

A Table of Outstanding Issues is maintained and reported to each meeting of the Committee. This approach enables the Committee to effectively monitor progress against issues and items that form part of its governance responsibilities.

An updated Table of Outstanding Issues is set out in **Appendix A**.

Previously the Committee have been advised of the progress against actions identified within the 2015/16 Annual Governance Statement within this report. The latest position on these actions is set out within the 2016/17 Annual Governance Statement that appears elsewhere on the agenda. Subject to the agreement of the 2016/17 Annual Governance Statement, any outstanding, revised or new actions will be included in future Table of Outstanding Issues reports to ensure members are kept up to date with progress.

Update Against Issues Raised

Any actions identified by the Committee at its last meeting have now been included where appropriate.

Updates against items either appear as separate items elsewhere on the agenda or set out within the Appendices, with work scheduled or remaining in progress against all items.

A brief update was provided to the Committee at its March 2017 meeting in respect of the identification of legionella at the Frinton and Walton Lifestyles facility. Although the Council's longer term / corporate response to this issue is on-going and remains subject to the final report from the Health and Safety Executive, a range of activities / actions have already been undertaken by the Council's, given the priority to react as quickly as possible to issues identified during the investigation. The Council's response to this issue to date has included:

- A comprehensive risk assessment being undertaken at Walton Lifestyles, by an independent specialist water management company, with all priority works identified being undertaken / completed.
- Risk assessments being undertaken at all other leisure centres by the same independent water management company and any matters identified being either remedied or programmed to be rectified in accordance with the risk profile.

- Staff training at all sites and a comprehensive review of legionella policy has been undertaken across the Council with all appropriate actions and recommendations being implemented as required.
- The Service continuing to work closely with the independent water management company, to ensure all recommended control measures throughout the Sports Facilities are working effectively.
- All recommended operational procedures to manage the control of Legionella across the Council's leisure centres have been implemented, with appropriate checks and balances to ensure they are being undertaken effectively.
- Corporate Services established a working group to provide on-going support to Operational Services throughout the investigation with activity covering issues such as financial consequences, training, staff redeployment, staff wellbeing and occupational health, insurance and Union liaison.

As part of a wider health and safety response, Health and Safety has been added to the Council's corporate risk register and a number of proposed actions are proposed which include:

- Designing a Health and Safety Actions 'matrix' to enable high level reporting to Management Team on key health and safety issues;
- Designing a Health and Safety Annual Plan in consultation with Departments;
- Reviewing existing health and safety processes in consultation with services and recommend changes / improvements where necessary;

As highlighted above, the formal report from the Health and Safety Executive is still awaited. Once received, any further improvements required will be reviewed and a further update provided to the Audit Committee.

It is also worth highlighting that Internal Audit will undertake an independent audit of health and safety later in the financial year, and this will examine the robustness of the revised arrangements that have been introduced corporately for the management of the Council's health and safety risks and responsibilities, along with the arrangements for support to services when undertaking improvement actions. This audit will also include a review of the improvement actions taken regarding the specific issues that had been identified including those arising from the final recommendations from the Health and Safety Executive.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A – Table of Outstanding Issues (June 2017) – General.

Attached – External Audit Fee Letter 2017/18