

AUDIT COMMITTEE - Table of Outstanding Issues (June 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	Officers have now met with the Council's new insurers who have recommended that rather than undertake a property risk audit there is likely to be more value in letting the Council's claims history 'drive' any risk management work. This revised approach is now in hand with work planned to be undertaken in readiness for an update to be provided to the September meeting of the Committee.	September 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	The restructure of the Finance and Revenues and Benefits Service has now been finalised and approved, which included the establishment of a dedicated Corporate Fraud and Risk Team. Along with undertaking fraud work associated with revenues and benefits, as as historically been the case, the team will now have a much wider focus and will undertake anti-fraud activities across the whole Council. The implementation of this revised approach will continue over the course of the year with updates provided to the Committee as appropriate.	September 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 was finalised and published during March 2017.</p> <p>A number of recommendations and actions are expected to be identified following a corporate review of procurement that is currently being undertaken by Internal Audit. Therefore it is proposed to wait for the outcomes from this piece of work before finalising additional training. This approach will help to ensure that all necessary issues can be covered within the training that will be provided. This will also support the proposed approach of ensuring the training reflects real life examples of the issues identified rather than just highlighting the requirements of the constitution, which will therefore provide practical advice to officers involved in procurement activities.</p> <p>It is also still proposed to place restrictions within the Council's ordering / procurement processes to ensure only those officers who have undertaken the necessary training and confirmed that they have read and understood any associated guidance can place orders and procure goods and services on behalf of the Council.</p>	<p>September 2017</p>
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