

AUDIT COMMITTEE

05 October 2023

REPORT OF ASSISTANT DIRECTOR FINANCE & IT

A.3 AUDIT COMMITTEE – TABLE OF OUTSTANDING ISSUES

(Report prepared by Richard Barrett and Karen Hayes)

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)

It is recommended that the Committee notes and considers the progress against the actions set out in Appendix A and B.

REASON(S) FOR THE RECOMMENDATION(S)

To provide a timely update to the Committee along with assurances that actions previously identified are being addressed accordingly.

ALTERNATIVE OPTIONS CONSIDERED

There are no alternative options associated with this report.

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.

LEGAL REQUIREMENTS (including legislation & constitutional powers)	
There are no direct legal implications associated with this report.	
FINANCE AND OTHER RESOURCE IMPLICATIONS	
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.	
USE OF RESOURCES AND VALUE FOR MONEY	
The following are submitted in respect of the indicated use of resources and value for money indicators:	
A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	Not directly applicable
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	Not directly applicable
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	Not directly applicable
MILESTONES AND DELIVERY	
The Table of Outstanding Issues is presented to the Audit Committee at each of its standard meetings.	
ASSOCIATED RISKS AND MITIGATION	
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.	
The 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.	
OUTCOME OF CONSULTATION AND ENGAGEMENT	
There is no requirement to seek consultation on this report. This is a public document to be presented to the Audit Committee.	
EQUALITIES	
The Table of Outstanding Issues aims to deliver fairness, transparency and consistency to all customers and stakeholders.	
SOCIAL VALUE CONSIDERATIONS	
The Table of Outstanding Issues is in itself a response to potential risk exposure, including considerations towards social value, with further activity highlighted to address matters raised by the Audit Committee.	
IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030	
The governance arrangements associated with the Council's aim to be net zero by 2030 fall	

within the Audit Committee's terms of reference and an update on the arrangements in place to meet this aim are set out in a separate report elsewhere in the agenda.

OTHER RELEVANT 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

Not applicable

Health Inequalities

Not applicable

Area or Ward affected

All Wards could be affected

ANY OTHER RELEVANT INFORMATION

None

PART 3 – SUPPORTING INFORMATION

BACKGROUND

TABLE OF OUTSTANDING ISSUES

The Table of Outstanding Issues has been reviewed and updated since it was last considered by the Committee in July 2023.

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

- 1) Updates against general items raised by the Committee – **APPENDIX A**
- 2) Updates against the 2023 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 or further details set out below. In terms of Item 2, this sets out the latest Annual Governance Statement published as part of the Council's Statement of Accounts for 2022/23 on 01 August 2023. Activity will remain in progress against the various items, which will be reported to Members as part of this report going forward.

Outstanding actions – further details along with other issues identified

Continuing External Audit delays and an update on the External Auditor's work on the Council's Statement of Accounts 2020/21

Following discussions at the last Audit Committee relating to the completion of the External Auditor's work on the Council's 2020/21 Accounts, a further update is planned to be provided by the External Auditor directly at the meeting.

In respect of the ongoing audit delays the Government's response was set out in the Monitoring Officer's Section 5 report, that was considered by Full Council at its meeting of 26 September 2023, an associated question and response from the Chairman of the Audit Committee was also considered at the same meeting of Full Council. These set out more details around the Government's response which revolve around introducing statutory deadlines, by which time the accounts relating to outstanding years must be finalised. The

Chairman of the Audit Committee also went on to stress the importance of our current external auditors having a focus on the 2022/23 accounts which was a point also acknowledged by the Government and the Financial Reporting Council. It is now important to obtain from our external auditors their own response to the Government's recent announcements and their assurances around meeting the proposed statutory deadlines, which hopefully sees them focus on the 2022/23 statement of accounts as soon as possible.

The Council's External Auditors have been asked to provide their response to the Government's proposals, which they plan on providing directly at the meeting.

RIPA – Regulatory Investigatory Powers Act 2000

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

Whistleblowing

This Authority has not received any Whistleblowing information since the adoption of the Whistleblowing Policy in July 2023. As part of the monitoring arrangements associated with the effectiveness of this policy, relevant updates will be provided to this Committee during the year.

Redmond Review

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. At the time of writing, no updates were available.

Changes to Regulatory Arrangements

There have been two recent changes that will have an impact on the Council with a summary as follows:

1) The Government have established the Office for Local Government (OFLOG), a performance body for Local Government. They have proposed a number of activities with the aim of fostering accountability through increased transparency, which in turn aims to support the improvement of Local Government performance.

The Government has also stated that as OFLOG develops, it will seek to enable improvement across the sector by helping facilitate greater use of interpretation of data, and in its mature state it aspires to be an authoritative source of information on Local Government performance, that can support others to interpret performance data and take action on it – particularly where the data shows early warning signs of failure.

OFLOG state that their strategic objectives are as follows:

- empower citizens with information about their local authority, enabling them to hold local leaders to account
- increase local leaders' and councils' understanding of their relative performance, supporting them to improve and better innovate

- increase central government’s understanding of local government performance, highlighting excellence and identifying risk of failure to facilitate timely and targeted support

2) Enhanced Powers for the Regulator of Social Housing – the Social Housing Regulation Act received Royal Assent earlier in the year, which will see a new era of regulation for the social housing sector; with some key elements as follows:

- Enhanced powers for the Regulator of Social Housing - The Act will facilitate the introduction of proactive consumer regulation by strengthening the Regulator of Social Housing, allowing intervention in cases where landlords are performing poorly on consumer issues. This will enable the Regulator to take action to address any shortcomings and protect tenants.
- Stronger enforcement powers - The Act establishes stronger enforcement powers for the Regulator to take action including provisions for regular inspections of social housing properties to ensure landlords are providing high-quality services and accommodation. These inspections will help maintain and improve the standard of housing for tenants across the country.
- Tenant empowerment - The Act will establish strict time limits for social landlords to address hazards and empowers social housing tenants to request information from their landlords, promoting transparency and accountability. This will ensure tenants have the right to access crucial information about their homes and can access swift redress where things go wrong.
- Standards for Registered Providers - The Act introduces a set of standards for registered housing providers, requiring social housing managers to possess specific qualifications or be actively working towards gaining them. These standards will help ensure residents receive the best possible service from their housing associations.

The Council will need to explore the new requirements, the impact on the Council and actions required to be established in response to the above. In respect of the Housing Regulator Powers work is already underway along with further planned work that will include external consultation and review along with the development of associated action plans. Further updates will be provided to Members as part of this ongoing work.

Other matters to highlight

Following the Committee’s consideration of the Corporate Risk Register at its meeting in July 2023, the next six monthly update will be in January 2024. This is a change to the six monthly cycle that was set out in the Committee’s earlier work programme, which can be reviewed going forward.

PREVIOUS RELEVANT DECISIONS TAKEN BY COUNCIL/CABINET/COMMITTEE ETC.

The Table of Outstanding Issues is presented to the Committee at each of its meetings.

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

Appendix A – Table of Outstanding Issues (October 2023) – General

Appendix B – Table of Outstanding Issues – (October 2023) – Update against 2022/23 Annual Governance Statement Actions

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