

AUDIT COMMITTEE - Table of Outstanding Issues (September 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	<p>The Council's insurers have recently appointed a risk engineer who is compiling a question set around property risk areas.</p> <p>The intention is to issue the question set and then follow this up with a meeting to discuss in more detail and then provide any guidance and assistance that is necessary. This issue is being coordinated by the Council's Fraud and Risk Manager and will also involve the Council's Head of Building Services with the associated activities planned to be undertaken during the Autumn.</p>	December 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	<p>The Council's procurement rules will be revisited by Legal and Finance as part of next review of the constitution which will refresh / update the various aspects of procurement, and will include a response to this issue, such as reviewing termination options relevant to the contract rather 'standard clauses' and the use of performance bonds to protect the Council as far as reasonably possible.</p> <p>The above approach will need to ensure the right balance between protecting the Council whilst not discouraging contractors from bidding for Council contracts.</p>	December 2017

The Council's Governance arrangements	Procurement / Contract Arrangements	<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 	Head of Finance and Revenues and Benefits	<p>A training guide was finalised and published during March 2017.</p> <p>The position has not changed to that reported to the Committee in June - 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>	December 2017
The Council's Governance arrangements	Effective Monitoring of S106 Agreements	<p>At its 16 March 2017 meeting, the Committee considered a S106 Update Report, following which it resolved that:</p> <ul style="list-style-type: none"> (a) the progress in relation to the Section 106 audit be noted; (b) a follow-up audit be undertaken in March 2018; and (c) the Section 106 Audit be added to the Table of Outstanding Issues 	Head of Planning Services / Audit and Governance Manager	<p>A follow up audit is included within the Internal Audit Plan.</p> <p>The following provides an update on a number of specific actions being undertaken within the service:</p> <ul style="list-style-type: none"> 1) Successful recruitment (2 year fixed term) has now been completed with an appointment made to a technician post that supports the administration of S106 agreements. 2) IT Services are in discussion with the relevant software provider to support the delivery of the necessary system to manage / coordinate S106 arrangements. 	March 2018

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ANNUAL GOVERNANCE STATEMENT ACTIONS

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Governance Issue	Action	Current Position / Update
Sustainable Resource Deployment: Achievement of Savings Needed over the Medium Term	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 planned cuts in Government funding to the Council over the period 2017/18 to 2019/20, with expected savings of £3.4m being required.	A long term financial sustainability plan / 10 year forecast was agreed by Cabinet on 5 September 2017. An associated delivery plan is currently being developed along with considering how performance against the forecast can be effectively reported to Members on a regular basis.
	To continue to maintain strong governance arrangements as the Council transforms the way in which it provides and delivers its services.	Agreement to the office rationalisation business plan is scheduled for September 2017 following which work can get underway to deliver this major project. A major digital transformation project is underway with an associated business / delivery plan and wider digitisation framework scheduled for completion in October / November 2017.
Informed Decision Making: Garden Communities	To continue to play a key role in the development of the Garden Communities Project including key governance structures and financial arrangements set against open and transparent decision making.	A project update was reported to Cabinet on 5 September 2017 setting out the current position and next steps to deliver of this major project with key partners.
Working with Partners and Other Third Parties: Jaywick Sands	To continue to work with Essex County Council and other partners to develop options for residential and other development. To develop options for a housing company and lead on the set up of a company.	Work remains in progress to take this major project forward with an update planned to be reported to Members in the second half of the year. In terms of more specific actions being taken, the development of a number of starter homes in Jaywick Sands is in progress.
Other Major Issues	To ensure deliverability of projects without impact on the day to day operations of the Council.	This will form part of business cases / plans when developing significant projects.

	<p>To develop and maintain a robust corporate approach to delivery against the Council's health and safety responsibilities.</p>	<p>Health and safety responsibilities have recently been brought together with risk management under the leadership of the recently appointed Fraud and Risk Manager within a dedicated team. Development of a robust corporate approach to delivery against the Council's health and safety responsibilities forms a key focus for this dedicated team over the second half of 2017/18.</p>
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