

## AUDIT COMMITTEE

25 January 2024

### REPORT OF ASSISTANT DIRECTOR FINANCE & IT

#### A.2 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 within **Appendix A**.
- Updates against the Annual Governance Statement actions are usually presented within this report. However, work remains ongoing to provide the Committee with the most up to date position which will be completed in readiness for the March 24 meeting.
- 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.**

##### REASON(S) FOR THE RECOMMENDATION(S)

**To provide a timely update to the Committee along with reassurances 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.	
<b>LEGAL REQUIREMENTS (including legislation &amp; constitutional powers)</b>	
There are no direct legal implications associated with this report.	
<b>FINANCE AND OTHER RESOURCE IMPLICATIONS</b>	
<b>Finance and other resources</b>	
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.	
<b>USE OF RESOURCES AND VALUE FOR MONEY</b>	
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
<b>MILESTONES AND DELIVERY</b>	
The Table of Outstanding Issues is presented to the Audit Committee at each of its standard meetings.	
<b>ASSOCIATED RISKS AND MITIGATION</b>	
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.	
<b>OUTCOME OF CONSULTATION AND ENGAGEMENT</b>	
There is no requirement to seek consultation on this report. This is a public document to be presented to the Audit Committee.	
<b>EQUALITIES</b>	
The Table of Outstanding Issues aims to deliver fairness, transparency and consistency to all customers and stakeholders.	
<b>SOCIAL VALUE CONSIDERATIONS</b>	
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.	

<b>IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030</b>	
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 was provided to the Committee at its last meeting.	
<b>OTHER RELEVANT IMPLICATIONS</b>	
Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.	
<b>Crime and Disorder</b>	Not applicable
<b>Health Inequalities</b>	Not applicable
<b>Area or Ward affected</b>	All Wards could be affected
<b>ANY OTHER RELEVANT INFORMATION</b>	
None	

### **PART 3 – SUPPORTING INFORMATION**

<b>BACKGROUND</b>
<b>TABLE OF OUTSTANDING ISSUES</b>
<p>The Table of Outstanding Issues has been reviewed and updated since it was last considered by the Committee in October 2023.</p> <p>There are usually two main elements to this report as follows:</p> <ol style="list-style-type: none"> <li>1) Updates against general items raised by the Committee – <b>APPENDIX A</b></li> <li>2) Updates against the 2023 Annual Governance Statement Action Plan – <b>APPENDIX B</b></li> </ol> <p>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, as highlighted earlier it is proposed to defer an update to the March 24 meeting of the Committee; to enable the most up to date position to be collated and finalised.</p> <p><b><u>Outstanding actions – further details along with other issues identified</u></b></p> <p><b><u>Continuing External Audit delays and an update on the External Auditor's work on the Council's Statement of Accounts 2020/21</u></b></p> <p>To date, no further update has been received from the Council's Auditors (BDO). In response to previous discussions on this issue at both Full Council and directly at the Audit Committee, the Chief Executive wrote to senior management at BDO setting out the Council's disappointment and frustration with the ongoing external audit delays, and requested their assurance on the following matters:</p> <ul style="list-style-type: none"> <li>• They will prioritise the Local Government sector as soon as possible this year;</li> <li>• They will prioritise the completion of the 2020/21 accounts for Tendring District</li> </ul>

Council, especially as it is understood there are only two issues outstanding that should be reasonably straightforward to resolve by taking a pragmatic / proportionate approach;

- Their value for money opinion / commentary on our 2020/21 accounts will reflect the Council's most up to date position, which in turn will support us in continuing to demonstrate sound financial management / stewardship to all of our stakeholders; and
- They will prioritise / balance the associated audit work on the Council's 2021/22 and 2022/23 accounts to avoid qualified opinions being issued because you have not been able to undertake the necessary assurance work by the proposed statutory deadlines.

To date no response has been received. The Council's External Auditors have been asked for an update which it is assumed will be provided directly at the Committee's 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.

### **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 was scheduled for January 2024. Work remains ongoing to collate and finalise timely updates against the various items within the Corporate Risk Register, which will be reported to the March 24 meeting of the Committee: in effect this puts the six monthly reporting cycle back to the original dates of March and September.

### **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 (January 2024) – General**

**REPORT CONTACT OFFICER(S)**

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