

## AUDIT COMMITTEE

26 JUNE 2025

### REPORT OF CORPORATE DIRECTOR FINANCE & IT

#### A.2 AUDIT COMMITTEE – TABLE OF OUTSTANDING ISSUES

##### 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, B and C**.
- 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. In respect of **Appendix A**, following their completion as reported to the last meeting of the Committee, a number of items have now been removed.
- **Appendix D** sets out a draft Independent Person specification in response to previous discussion and resolutions of the Committee.
- **Appendix E** – sets out the outcome and current status of actions identified following a recent Health & Safety Executive inspection.

###### RECOMMENDATION(S)

It is recommended that the Committee:

- a) Notes the progress against the actions set out in Appendices A, B and C;
- b) notes the outcome from the Health and Safety Executive Inspection set out in Appendix E and the progress against the associated actions; and
- c) that in respect of the appointment of an Independent Person:
  - i) Reconfirms its support to recruit an Independent Person((s) to a maximum of two), for a term of office until 31 March 2028, to align with the current proposals of Local Government Reorganisation, subject to Full Council approval on appointment;
  - ii) agrees the Independent Person Specification, set out in Appendix D, for the role of the Independent Person; and

- iii) **approves a delegation to the Audit Committee Chairman to agree and undertake the associated recruitment process.**

#### **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.

#### **LEGAL REQUIREMENTS (including legislation & constitutional powers)**

The recommendation to appoint an Independent Person(s) to the Audit Committee initially stemmed from the Redmond Review. This has not materialised into legislation, as is the case with other Independent Persons appointed by the Council (e.g. Independent Persons for the Standards Committee and Independent Remuneration Panel), however CIPFA guidance recommends this practice to be implemented by Audit Committees.

In terms of the appointment of other independent persons within the Council, Section 28(6) and (7) of the Localism Act 2011 requires each local authority to appoint an Independent Person to work with the Council's Monitoring Officer within the Standards Framework and support the Standards Committee and Sub-Committee. Tendring District Council has an adopted Independent Person Protocol which forms part of the Council's Constitution at Part 6.39 to 6.41. Part 2, Article 4, 4.02 Functions of the Full Council also states that out the appointment of Independent Persons on the recommendation of the Monitoring Officer as to who should be appointed

In accordance with the Council's Constitution, the advertisement of vacancies of Independent Person(s), the review of applications received, the interview of suitable candidates and the making of recommendations to Council as to who should be appointed, are delegated to the Chief Executive or Monitoring Officer. As the independent person appointed to the Standards Committee has strong engagement with Councillors, it was considered appropriate that representatives from the Standards Committee were involved in the recruitment process.

Although the above relates to the appointment of an Independent Person(s) under the Council's Standards Framework, it is considered best practice to broadly apply this to the role of the Independent Person for appointment to the Audit Committee.

In terms of the allowance payable, in accordance with The Local Authorities (Members' Allowances)(England) Regulations 2003, Local Authorities must have regard to an Independent Remuneration Panel's recommendations when deciding on the remuneration for

such members. The necessary activities will therefore be undertaken to inform the amount payable that can be included within the proposed recommendation to Full Council that forms part of the appointment process.

## **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.

In terms of the allowance payable and its funding, this will be revisited within the report to Full Council that forms part of the appointment process.

## **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 regular 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.	
<b>IMPLICATIONS RELATED TO DEVOLUTION AND/OR LOCAL GOVERNMENT REORGANISATION</b>	
There are no direct implications associated within this report with regard to <b>Appendices A, B and C</b> . In respect of <b>Appendix D</b> it is recommended that the appointment of the Independent Person is until 31 March 2028 in alignment with the current proposals relating to Local Government Reorganisation.	
<b>IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050</b>	
There are no direct implications associated within this report.	
<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>Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)</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>
<p><b>TABLE OF OUTSTANDING ISSUES</b></p> <p>The Table of Outstanding Issues has been reviewed and updated since it was last considered by the Committee in March 2025.</p> <p>There are three main ongoing 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 2023/24 Annual Governance Statement Action Plan – <b>Appendix B</b></li> <li>3) Updates against recommendations made by the External Auditor – <b>Appendix C</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.</p> <p>In terms of item 2) above, the Annual Governance Statement for 2025 remains subject to being finalised alongside the Statement of Accounts 2024/25 for publishing by the end of</p>

June 2025. The associated action plan that will be set out within the above statement will include the ongoing/outstanding items set out within **Appendix B**. However, given the timing of this meeting of the Audit Committee and the publication date highlighted above, **Appendix B** only gives updates against the existing Annual Governance Statement at the present time, with further details planned to be presented to the September 2025 meeting of the Committee that will reflect the revised actions and activities emerging from the 2025 review.

### **Appointment of Independent Person(s) to the Audit Committee**

A draft person specification is set out in **Appendix D**. At its July 2024 meeting of the Committee, it was agreed that the Committee endorsed the appointment of up to two Independent Persons. At its March 2025 meeting of the Committee, a draft specification was presented and subsequently Committee Member and Officer workshops have taken place in order to develop the specification. Once this final version is agreed and subject to the recommendations above, the actions associated with recruiting to this post can be undertaken as necessary, which will include the need to undertake the necessary publicising and advertising of the opportunity and the formal application and recruitment process. Following the recruitment process, a recommendation will need to be made to Full Council to confirm the appointment to the role. Once an appointment is made the necessary induction programme can then be undertaken.

### **Local Audit Reform**

The Government recently announced a series of reforms to address issues within the local audit system with some key highlights as follows:

- **Simplification and Streamlining:** The reforms aim to simplify financial reporting requirements and streamline the audit process to make it more efficient
- **Increased Capacity:** Efforts will be made to increase the capacity of the audit sector, reducing reliance on a small number of auditors
- **Funding Support:** Up to £49 million in funding will be provided to help local authorities clear audit backlogs and cover additional costs
- **New Local Audit Office:** A new Local Audit Office will be established to coordinate functions currently spread across multiple organizations, such as the National Audit Office and the Financial Reporting Council
- **Transparency and Accountability:** The reforms are designed to restore public trust in how councils manage and report their finances, ensuring better value for taxpayers

These changes are part of a broader "Plan for Change" to bring long-term stability to the local audit system. The practical implications remain under review with further updates planned to be presented to the Committee later in the year.

### **Outcome from External Inspections**

#### **Health and Safety Executive**

The Health and Safety Executive (HSE), advised the Council of their intentions to undertake a site visit to review asbestos management under the Health and Safety at Work Act 1974 (control of Asbestos Regulations 2012). The inspection took place on 12 February 2025 with staff from Leisure, Princes Theatre, Facilities Management, Health and Safety and the Union

all engaged in this review across four HSE chosen locations, namely Northbourne Depot, Town Hall, Princess Theatre and Clacton Leisure Centre.

On 14 March 2025 the HSE issued their post inspection report, which included a number of recommendations primarily relating to site plans / maps, rather than immediate risks etc. These recommendations therefore formed the basis of an associated improvement plan as set out within **Appendix E**.

The Corporate Health and Safety Team are project managing and supporting services to ensure that they achieve all of the HSE required improvements by agreed dates. The Council remains in regular contact with the HSE to update/provide written evidence of completed activities and completion timescales. At the time of writing, a limited number of Asbestos Management improvement actions are programmed but outstanding.

It is anticipated that the HSE will most probably reinspect once these improvement deadline dates have passed and relevant services have been informed. Services are fully committed to completing all of the improvements required and the Council will continue to work with the HSE to strengthen existing arrangements relating to a safe working environment for our staff, contractors and public who attend our buildings. From a lessons-learnt perspective:

- 1) That senior managers are reminded that Asbestos Management Plans (AMPs) need to remain current, including checks, updating following any property refurbishments or material building changes.
- 2) Although no issues relating to the Council's Asbestos Management training arrangements were identified during the HSE inspection, it has become apparent that due to staff leavers/joiners, some service areas feel the need for refresher/further training. The Health and Safety Team are working with all services to ensure they have the necessary asbestos-trained personnel required relating to their areas of responsibility.
- 3) Moving forwards, the Internal Health and Safety Team will ensure that as part of future scheduled Council inspections, they engage as necessary with responsible individuals to ensure that Asbestos Management (AM) documentation is reviewed annually and that there is due focus on AM training record checks/training guidance and support.

### **Food Standards Agency**

The Council's statutory functions in respect of food safety are overseen by the Food Standards Agency (FSA) who are the regulatory body for local authority delivery (<https://www.food.gov.uk/about-us/the-food-regulatory-system>).

The FSA seeks assurance that the Authority has effective and efficient arrangements in place to ensure official controls and that other official activities are performed on all food businesses as required by assimilated Regulation (EU) 2017/625 and the Food Law Code of Practice (FLCoP).

FSA sets the programme for food safety inspections undertaken by local authorities and local authorities provide statistical data covering a number of parameters, including the number of food hygiene inspections undertaken and the findings from those inspections. Some of that information is used to provide consumers with useful information such as the food hygiene score a business has achieved (<https://ratings.food.gov.uk/>).

Over the last 6 months, the Council has received performance relating information from the FSA. The FSA routinely monitors local authority performance through data submitted in twice yearly returns. The Council had submitted their October 2023, April 2024 and October 2024 returns as required.

The returns in 2023 and 2024 highlighted that the Council had fallen short of its targeted interventions with a large number of those interventions being overdue. It was also highlighted in the return that a new manager of the Food Safety Team joined the Authority in September 2023, and that three food-competent officers had left the Authority around the same time. A new Environmental Health Officer (EHO) joined the Authority in October 2024 and the Council was advertising for two further vacancies. In the meantime, the Authority was to employ a contractor to carry out the planned intervention programmes.

The October 2024 return highlighted that the Authority conducted 47.18% of the intervention programme for A/E rated premises, broken down by risk categories as follows:

100% completion for A rated (highest risk) interventions

50% for B rated interventions

50% for C rated interventions

47% for D rated interventions

43.66% for E rated (lowest risk) interventions – 95 interventions of the 260 unrated premises

The Council had identified a need for 4.4 full time equivalents (FTE) to deliver the food service effectively, however the allocation at that time stood at 3.4 FTEs, with only 2.9 occupied. It is this shortfall in staffing capacity that had contributed to the backlog of inspections. It is worth highlighting that the on-going recruitment challenges to fill vacant posts continues, which reflects the shortage of appropriate staff nationally / regionally. Short term options continue to be explored where necessary, such as the on-going use of agency staff for interim periods during which time existing staff can continue to undertake the necessary development to enable them to undertake the role themselves. This issue was recognised within Financial Performance Reports during the year, where additional funding was identified to support this approach.

The FSA requested a meeting to discuss the Council's position and the plans that had been developed to address the shortcomings identified. During the meeting, the background to the engagement was discussed, as was the FSA's functions of monitoring the performance of a Council's delivery of the food hygiene intervention programme. The main topics discussed were the backlog of interventions and the Council's arrangements to demonstrate that senior delegated officers are fully aware of the risks and of the full demands on the food service, along with the resources required to deliver it, including any shortfalls in resources.

The Council continues to be in open dialogue with the FSA and has significantly reduced the number of outstanding inspections. Due to the way in which good businesses are risk rated to determine their inspection frequency and the fact the new businesses are registering all the time with other businesses ceasing to trade, the number of inspections due does fluctuate.

The Food Safety Team have updated the Service Plan for 2025 which addresses the issues that have both been highlighted by officers and raised by the FSA. These plans have been shared with the FSA and they are satisfied with the progress that is being made towards improving the inspection numbers.

**RIPA – Regulatory Investigatory Powers Act 2000**

To inform the Committee of any activity conducted under RIPA by the Authority – the Authority has not conducted any RIPA activity in the last quarter and it is rare that it will be required to do so.

**Whistleblowing**

To inform the Committee of any activity under the Whistleblowing Policy as part of the monitoring arrangements. The Authority has not received any Whistleblowing notifications since the adoption of its policy in July 2023.

**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 (June 2025) – General

**Appendix B** – Table of Outstanding Issues (June 2025) – Update against 2023/24 Annual Governance Statement Actions

**Appendix C** – Table of Outstanding Issues (June 2025) – External Audit Recommendations

**Appendix D** – Draft Independent Person specification

**Appendix E** – HSE Inspection Recommendations and Action Plan

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