

AUDIT COMMITTEE

8 OCTOBER 2026

REPORT OF CORPORATE DIRECTOR (FINANCE & IT)

A.6 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, the Annual Governance Statement and External Audit recommendations within Appendix A, B and C 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 formally notes the updates set out within this report.

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 content of this report addresses a number of statutory/regulatory requirements placed on the Council, which are highlighted as necessary elsewhere within the 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;

B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and

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.

The latest general commentary from the Council's External Auditors was set out within an associated report presented to the Committee on 19 February 2026. There were no significant weaknesses identified across the three themes.

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

There are no direct implications associated with this report.

SOCIAL VALUE CONSIDERATIONS

There are no direct implications associated with this report.

IMPLICATIONS RELATED TO DEVOLUTION AND/OR LOCAL GOVERNMENT REORGANISATION

On 7th September 2026, the Secretary of State for Housing, Communities and Local Government announced in Parliament that a review of the Local Government Reorganisation programme was commencing and that the decision made in March 2026 for Greater Essex

(and other areas) had been withdrawn in light of new legal advice. Following this announcement, local authorities received correspondence from the Minister of Housing, Communities and Local Government requesting that until this review has concluded, Councils cease work on implementing the decisions that have previously been announced. The timetable for completion of the review is unknown at this time.

The contents of this report and associated activities and actions are not directly or immediately impacted by MHCLG's request, although the outcome from the Government's review may need to be reflected across a range of areas of work, which will be considered and presented to members as necessary.

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050

There are no direct implications associated within this report.

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
Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)	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 June 2026. There are three main ongoing elements to this report as follows:

- 1) Updates against general items raised by the Committee – **Appendix A**
- 2) Updates against the 2025/26 Annual Governance Statement Action Plan – **Appendix B**
- 3) Updates against recommendations made by the External Auditor – **Appendix C**

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 1 and 3 above, there are no significant issues to raise, with actions remaining in progress or further details set out below.

In respect of the 2025/26 Annual Governance Statement Action Plan, although this remains subject to the Committee's final approval later in the year once the work of the External Auditor is completed, for timely and practical reasons the version currently published at the end of June 2026 alongside the Unaudited Statement of Accounts presents the most up to date position for the Committee's consideration. Similarly to last year, this approach enables the actions and associated updates to be considered as early as possible within the Committee's annual work programme. Appendix B therefore includes outstanding items from last year's Annual Governance Statement alongside new items for the year. There are no significant issues to highlight at the present time with actions and activities remaining on-going.

In terms of progressing and monitoring recommendations emerging from the work of the External Auditor, a number of items were presented as part of the overall outcome from their work on the Council's 2025/26 Statement of Accounts that were considered by the Committee on 19 February 2026. The items identified were broadly a continuation of previous recommendations which remain subject to on-going activities to fully address any outstanding issues. As highlighted within the Appendix, the External Auditor's most recent report is planned to be presented elsewhere on the agenda, which to a large extent supersedes / complements the existing outstanding items, which will therefore form part of future reports to the Committee.

Review of the Effectiveness of the Audit Committee

Following ongoing reviews, including a recent facilitated session with Members, outcomes and conclusion remain subject to being drawn together for presenting to the Committee. As previously highlighted, this has provided a timely opportunity to continue to maximise the input from various stakeholders including Members of the Committee, ahead of reporting the outcomes to the January 2027 meeting of the Committee.

Risk Management Review

Following the update presented to the June 2026 meeting of the Committee, a separate detailed report is now set out elsewhere on the agenda.

Local Audit Reform

Following publication of the Government's response to the consultation in April 2025, the Government subsequently published Implementing the New Local Audit System: A Transition Plan in November 2025. The plan provides further details on how the proposed Local Audit Office will be established and how responsibilities will be transitioned from existing organisations over a number of years. The Government confirmed that the initial focus of the LAO will be on coordinating audit quality and oversight, auditor appointments, addressing the audit backlog and rebuilding assurance where audit opinions have been disclaimed as part of the backlog recovery process. With this publication moving from consultation and policy development into a transition and implementation phase; with the emphasis shifting from *what reforms are proposed to how and when they will be delivered*.

The Government has also reported progress in reducing the historic audit backlog. In an earlier response, it stated that the backstop programme had resulted in approximately 95% of local bodies publishing audited accounts for all financial years up to and including 2022/23.

However, the Government recognised that recovery of the system and rebuilding assurance will take time and that wider structural reform remains necessary. The Government continues to position the establishment of the Local Audit Office as the central mechanism for creating a more streamlined and coordinated local audit system.

The reform programme has now moved from the consultation and policy development stage into a transition and implementation phase, with the Government publishing the aforementioned transition plan.

Whilst there are no immediate changes to the Committee's statutory responsibilities, the transition programme indicated that further changes to local audit oversight, reporting arrangements and guidance are likely as the reforms are implemented. Officers will continue to update Members on developments relating to the establishment of the Local Audit Office, the ongoing management of the national audit backlog and any future changes to audit committee requirements, financial reporting expectations or auditor appointment arrangements.

Exemption from Procurement Procedure Rules Register

As discussed in an earlier report, the Council's External Auditors identified that an Exemption from Procurement Procedure Rules Register should be maintained and at its June 26 meeting the Committee were represented with the first iteration of the required register.

In line with the requirement that all waivers must be registered and reported to the Council's Audit Committee, the register will be reported to the Committee on an annual basis as set out within their work programme (it is currently scheduled to be presented to the June's meeting of the Committee each year).

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 period under review 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 since the adoption of its policy in July 2023.

At the time of writing, there are three notifications detailed below for the information of the Committee since its last meeting.

TENDRING DISTRICT COUNCIL WHISTLEBLOWING POLICY UPDATE Jun 2026				
Internal Ref No	Complainant	Current status	Final outcome	Comments
Existing Whistleblowing Cases from last update:				
Internal Ref No	Complainant	Current status	Final outcome	Comments
01	Public – 27 May 2026	Ongoing - passed to	Investigation open	Matter relates to alleged misuse of Council funds,

		Fraud and Risk		resources and vehicles.	
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PREVIOUS RELEVANT DECISIONS TAKEN BY COUNCIL/CABINET/COMMITTEE ETC.

None

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

Appendix A – Table of Outstanding Issues (October 2026) – General

Appendix B – Table of Outstanding Issues (October 2026) – Update against 2025/26 Annual Governance Statement Actions

Appendix C – Table of Outstanding Issues (October 2026) – External Audit Recommendations

REPORT CONTACT OFFICER(S)

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AUDIT COMMITTEE - Table of Outstanding Issues (October 2026) - GENERAL

Recommendation / Issue	Lead / Service	Progress / Comments	Status – Target Date
At its meeting in March 2026, following its consideration of the report on Internal Audit, it was resolved that the Committee: Notes the periodic update and the action tracking report and requests that services capture as part of the Service Planning Process the timely resolution of outstanding internal audit / governance matters ahead of 01 April 2028.	Corporate Director Finance & IT	This has recently been drawn to the attention of senior managers and will be monitored via the wider internal audit review process.	Ongoing – further updates to be presented to the Committee during the remainder of the year, especially given the latest review of LGR by the Government.
At its meeting in March 2026, following its consideration of the Table of Outstanding Issues report, it was resolved that the Committee: Following the Building Safety Inspection Review outcomes and actions reported to the meeting of the Audit Committee held on 19 February 2026, the Committee requests that a further update be provided during 2026/27, including whether there have been any opportunities to share any associated learning elsewhere within the Council.	Head of Planning and Building Control	The requested update is planned to be presented to this meeting of the Committee.	It is planned to provide a separate report elsewhere within the agenda.

At its meeting in March 2026, following its consideration of the Table of Outstanding Issues report, it was resolved that the Committee: Requests Officers to further develop the revised approach to the Assurance and Risk Management Framework, as set out within the report (A.2), with the aim of presenting an updated position for consideration / adoption to the next meeting of the Committee in June 2026.	Corporate Director Finance & IT	The requested item is planned to be presented to this meeting of the Committee.	A separate report is set out elsewhere within the agenda.
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AUDIT COMMITTEE - Table of Outstanding Issues (October 2026) – ANNUAL GOVERNANCE STATEMENT ACTIONS 2025/26

On-going / outstanding items at the end of 2025/26 carried forward into 2026/27

Governance Principle & Issue	Required Action(s)	Update / Additional Comments
Items Carried Forward and Updated from 2025/26 from the table above		
Determining the interventions necessary to optimise the achievement of the intended outcomes. Managing risks and performance through robust internal control and strong public financial management.	- Review of existing Risk Management / Business Continuity arrangements. - Review of the effectiveness of the Audit Committee.	In respect of the review of the Council's Risk Management arrangements, a separate report is set out elsewhere on the agenda. In terms of the remaining items it is planned to present these to the Audit Committee in the second half of the year.
Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law. Maintaining an up to date Local Code of Corporate Governance along with key policies and procedures.	Review and update the Local Code of Corporate Governance and key policies and procedure.	Work remains ongoing with an update planned to be provided to the Committee later in the year; which now needs to reflect the outcomes from the Government's current review of the LGR process.
Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law. <i>(Although this action is expected to cut across all seven of the key</i>	Continue the review of Best Value Guidance, CIPFA Codes/guidance to identify areas of weakness and improvement and develop an action plan (including learning from external	Although further opportunities to address best value responsibilities based on the self-assessment approach continue to be undertaken, the Government are currently consulting on associated revised statutory guidance. Although subject to the outcome of this consultation, it is planned to present an update to the January 2027 meeting of the Autumn Committee.

AUDIT COMMITTEE - Table of Outstanding Issues (October 2026) – ANNUAL GOVERNANCE STATEMENT ACTIONS 2025/26

On-going / outstanding items at the end of 2025/26 carried forward into 2026/27

<i>governance principles (A to G) set out above)</i>	reviews, inspections and self-assessments).	
Determining the interventions necessary to optimise the achievement of the intended outcomes.	Undertake the necessary actions / activities to support the delivery of Local Government Reorganisation including the management of associated risks across 3 broad phases that will include: Preparation: • Commitment to maintain ongoing service delivery • Build trusts and relationships with other councils • Agree proposals for reorganisation and align to government priorities • Develop project plans and defined timelines and responsibilities, risk registers and project management structures • Review corporate and operational risk registers in light of LGR • Actively engage with the public and stakeholders to build a broad coalition for change.	This action is now subject to the outcome of the Government's recently announced review of LGR and an update will be provided to the Committee at the next practical opportunity along with how the item needs to be reflected or not in the final Annual Governance Statement that will be presented alongside the Statement of Accounts and associated external audit report early in 2027. It is also important to note that a number of general improvement steps and actions have been identified / undertaken during the associated LGR process to date and these remain relevant / support good governance within the Council, and can continue to be taken forward as necessary regardless of the outcome from the Government's current LGR review.

AUDIT COMMITTEE - Table of Outstanding Issues (October 2026) – ANNUAL GOVERNANCE STATEMENT ACTIONS 2025/26

On-going / outstanding items at the end of 2025/26 carried forward into 2026/27

	Implementation: • Collate records of the outgoing authority's finances, assets, services, staff, IT & contracts and identify issues and options • Co-operate with incoming authorities to establish joint working groups and a joint secretariat etc and agree an overall project plan • Communicate and consult with the public, staff and key stakeholders Operation: Close down outgoing authorities' accounts and resolve issues on an agreed timetable	
New Item for 2026/27		
Developing the Council's entity, including the capacity of its leadership and the individuals within it.	To develop plans and actions to meet the significant and emerging impact across a range of competing demands including external customers' increasing demands and expectations, LGR, delivery of key projects and activities alongside 'business as usual'.	Primarily through the departmental planning process, identify gaps in resources / capacity and undertake any subsequent/ appropriate recruitment and / or other mitigating actions. Although the LGR review will have an impact on this action, it is important to highlight that it will remain a key issue for the Council across a range of activities

AUDIT COMMITTEE - Table of Outstanding Issues (October 2026) – ANNUAL GOVERNANCE**STATEMENT ACTIONS 2025/26****On-going / outstanding items at the end of 2025/26 carried forward into 2026/27**

		including the ongoing delivery of priorities and existing work programmes/projects. The above to include a review of business continuity arrangements as may be necessary.
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AUDIT COMMITTEE - Table of Outstanding Issues (October 2026) – OUTSTANDING EXTERNAL AUDIT RECOMMENDATIONS

Nos	External Audit Recommendation	Reported	Lead / Service	Initial Management Response Reported to the Committee on 13 February 2025	Progress / Comments / Status
1	Risks around building safety, fire and mould which are current sector issues are not currently captured in the corporate risk register. The Council also do not currently monitor service-line risks alongside the authority-wide risk register. We recommend that the Council ensure that health and safety risks are adequately captured in the risk register and service-line risks are monitored alongside the authority-wide risk register.	Auditors Annual Report for the year ended 31 March 24 (Audit Committee 13 February 2025)	Corporate Director Finance & IT	It is acknowledged that there is always a balance between operational / service risks and those captured within the Corporate Risk Register. The Council's current corporate risk register does capture Health and Safety and the Management of Assets as high level risks, but further consideration will be given to the recommendations made in terms of achieving this overall balance.	An update is provided within the External Auditor's Value for Money report elsewhere in the agenda, with any ongoing actions to be captured and reported as part of the Table of Outstanding Issues report.
2	The Council's risk management framework is now 6 years old, we recommend that this is reviewed and updated as required.	Auditors Annual Report for the year ended 31 March 24 (Audit Committee 13 February 2025)	Corporate Director Finance & IT	Although this will be considered as part of the on-going Corporate Risk Management activities and associated reports to the Audit Committee, it is important to highlight that it is broadly subject to review on a six monthly basis as part of the same process.	
3	Review of valuation of land and buildings: Currently there is not a formalised review of the Council's valuer Wilks Head and Eve output. The Council do not hold sufficient data on the floor areas of their other land and buildings asset portfolio including up to date floor plans. We	Year End Report to the Audit Committee for the year ended 31 March 2024	Corporate Director Finance & IT	The necessary review was undertaken as part of the preparation of the 2024/25 Statement of Accounts that were published at the end of June 2025. Although it has not been possible to resolve the matter in its entirety, plans are in place to enable this to be implemented on a	This work remains on-going as part of the annual Statement of Accounts process, with adjustments made as part of the intended phased

	recommend that the Council undertake a full review of their asset portfolio and ensure up to date data is held on all asset floor areas. We also recommend that the Council undertake a formal review of the valuation on an annual basis.	(Audit Committee 13 February 2025)		phased approach over the Statement of Accounts for both 25/26 and 26/27.	approach within the 25/26 accounts that will be presented to the Audit Committee at its annuary 2027 meeting.
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