

Decision Maker: **AUDIT SUB-COMMITTEE**

Date: **17th October 2019**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **MATTERS OUTSTANDING**

Contact Officer: Stephen Wood, Democratic Services Officer
Tel: 020 8313 4316 E-mail: Stephen.Wood@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Resources

Ward: N/A

1. Reason for report

To update the Sub-Committee on progress with Matters Arising (Part 1) from previous meetings.

2. **RECOMMENDATION(S)**

To note and comment on progress with matters outstanding from previous meetings.

To recommend any action as deemed appropriate with respect to matters that have not been resolved.

Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Excellent Council
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Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Democratic Services
 4. Total current budget for this head: £358,740
 5. Source of funding: 2019/2020 revenue budget
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Staff

1. Number of staff (current and additional): 8 posts 6.79fte)
 2. If from existing staff resources, number of staff hours: Completion of "Matters Arising" reports for the Audit Sub Committee normally takes a few hours per meeting.
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Legal

1. Legal Requirement: None:
 2. Call-in: Not Applicable:
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): This report is intended primarily for the benefit of members of the Audit Sub-Committee so that Committee Members can monitor progress made on matters that are outstanding.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

Attached is a schedule of matters outstanding from previous meetings of the Audit Sub Committee with a note of progress made. Most of these issues are taken up in more detail in the progress reports on the agenda (parts 1 and 2). Once an outstanding matter has been completed it will be removed from the schedule.

Non-Applicable Sections:	Policy/Financial/Legal/Personnel
Background Documents: (Access via Contact officer)	Previous Minutes of Audit Sub Committee.

Appendix 1

Issue & Date	Summary	Update and/or Action being taken.	By	Completion date if known
<p>Minute 21 8th November 2017 Internal Audit Progress Report</p> <p>Minute 5 4th June 2019 Matters Outstanding</p>	<p>Members were advised that there had been an objector to the accounts. The objections were in relation to Waste Management and Trade Waste Collection.</p> <p>A Member expressed concern at the length of time that was being taken to close the accounts. It was noted that this was a matter for KPMG to resolve. It was agreed that the Head of Audit and Assurance should seek an update.</p>	<p>This matter has still not been concluded and is ongoing.</p> <p>On 28th June, the Head of Audit and Assurance reported that KPMG stated that they were still waiting for responses to requests for information from the Council and were unable to proceed until the responses had been received. The Director of Environmental Services had said that he had been in regular contact with KPMG. There were a large number of complex questions that were turning out to be more time consuming to resolve than had been envisaged. The Director was in the process of co-ordinating responses from corporate colleagues.</p> <p><i>This update was emailed to Members by the Committee Clerk on 28th June.</i></p>	<p>KPMG External Auditors.</p> <p>KPMG and the Director of Environmental and Community Services.</p> <p>An update concerning this matter has been provided on the current Internal Audit report.</p>	<p>Date is not known.</p> <p>Not known.</p>
<p>Minute 8 4th June 2019 Internal Audit Progress Report</p>	<p>During the discussion pertaining to Arboricultural Services a Member said that it would be good to know when an audit of the service had been undertaken previously.</p>	<p>On 28th June the Head of Audit and Assurance reported that the previous Arboricultural Services contract had commenced in 2008 and Internal Audit had attempted to identify if any audit review was undertaken during this period.</p> <p>Audit plans from 2008 were checked and confirmed that a Parks and Greenspace Investigation report was finalised in May 2012. This review was followed up and reported to committee in November 2013.</p> <p>Arboricultural Services were part</p>	<p>Head of Audit and Assurance.</p>	<p>Closed</p>

		<p>of the Parks and Greenspaces division but this service had not been included in the scope of the audit review or subsequent investigation as the audit was concerned with parks.</p> <p>The Internal Audit Plan for 2013-14 included a 10 day audit of Parks and Greenspaces with the objective to “Follow-up of previous audit recommendations for the Parks and Greenspace audit and to review Arboriculture Services”. This audit review was rolled forward to 2014-15. The Parks and Green Space audit was allocated to the Wandsworth Internal Audit Team as part of the audit contract arrangement in place at that time.</p> <p>There is evidence that the Arboriculture Service was included in the initial terms of reference, but at the time of scoping the audit, the Parks and Greenspace client function was being outsourced and greater emphasis was placed on the monitoring role and the department’s ability to cope with this change.</p> <p>It is thought that the additional testing and review demanded by this change would have resulted in Arboricultural services being removed from the scope, but this cannot be confirmed as the Head of Audit at that time left the Authority in June 2017.</p> <p>The audit report for Parks and Greenspaces, finalised in August 2015 does not refer to Arboricultural Services.</p>		Closed
<p>Minute 8 4th June 2019</p> <p>Internal Audit Progress Report</p>	<p>A Member drew attention to the Corporate Risk Register and to Risk 4, which was the risk that LBB would fail to manage change and maintain an efficient workforce. The first risk causes identified, included ‘Potential changes to working relationships with Members as we move to a smaller organisation’. He asked for further clarification concerning this.</p>	<p>The Head of Audit and Assurance provided the following response on 28th June which was emailed out by the Committee Clerk:</p> <p><i>The Director of HR has advised that risk cause 13 was a poor description of the point being made and offered his apologies. He stated that the correct description is adequately covered in risk causes 1, 3 and 7 in particular.</i></p> <p><i>1. The on-going need to reduce the size and change the shape of the organisation to secure priority</i></p>	<p>Head of Audit and Assurance and the Director of HR.</p>	Closed

		<p><i>outcomes within the resources available.</i></p> <p><i>3. Potential skills gap and deterioration of service quality through loss of experienced staff as a result of age profile of workforce and downsizing (failure to succession plan).</i></p> <p><i>7. Lack of capacity to lead projects / manage change agenda and consequent ability to respond to change initiatives and the achievement of outcomes and benefits.</i></p> <p><i>He added that the risk cause in question (number 13) will be removed with immediate effect.</i></p>		Closed
<p>Minute 8 4th June 2019</p> <p>Internal Audit Progress Report</p>	<p>A Member referred to Risk 18 on the ECHS Risk Register which identified housing related risks connected to the roll-out of Universal Credit. In the 'further action required' column, an action that had been identified was to 'set up a working group with Housing Associations to explore additional measures to support residents with the roll out of universal credit'. He requested an update regarding this.</p>	<p>The Director of Housing has said that this work has been picked up in the Bromley Federation of Housing Associations work plan and is ongoing to monitor the impact of Universal Credit, share good practice and explore options to improve the support to tenants receiving Universal Credit.</p>	<p>Director of Housing.</p>	Closed
<p>Minute 8 4th June 2019</p> <p>Internal Audit Progress Report</p>	<p>It was resolved that the matters raised in the TFM audit should be referred back to the ERC PDS Committee for their attention and scrutiny.</p>	<p>The matter was referred back to the ERC PDS and was discussed at their meeting on 3rd July.</p>	<p>ERC PDS Committee</p>	Action is closed.
<p>Minute 8 4th June 2019</p> <p>Internal Audit Progress Report</p>	<p>It was resolved that the issues concerning Arboricultural Services should be referred to the ECS PDS Committee for their information and scrutiny.</p>	<p>An update report regarding Arboricultural Services (written by Sarah Foster) was provided to the ECS PDS Committee on 18th June.</p>	<p>Report from Sarah Foster scrutinised by ERC PDS on 18th June.</p>	Closed.
<p>Minute 8 4th June 2019</p> <p>Internal Audit Progress Report</p>	<p>Resolution 10 was that 'Consideration is applied to re-rating the level of risk for Arboricultural Management on the ECS Risk Register'.</p>	<p>This was completed and included in the revised risk register presented at ECS PDS on 28th August.</p>		Closed.