

DRAFT
Colchester Borough Council
Annual Governance Statement – Action Plan for 2022/23

Significant Internal Control Issues – Relating to 2021/22 Financial Year

No.	Issue	Action	Due Date	Responsible Officer	How this Issue was Identified
1.	<p>Procurement</p> <p>There were two audits undertaken during the year that resulted in a limited assurance rating. One of these was an overview of the procurement process and the other related to the procurement and management of a specific supplier. Both audits highlighted concerns around formal tender and selection processes, aggregated spend and formal documentation including procedure rules.</p>	<p>The recommendations from the audits have been accepted and will be monitored as part of the follow-up process. Progress will be reported to the G&A committee as part of the audit monitoring report.</p>	31/12/22	Assistant Director Customer	Internal Audit process
2.	<p>External Audit Implications</p> <p>Whilst the Council cannot control the delivery of the external audit of the accounts, The Use of Resources assessment (that provides detail on areas of suggested improvement) for 20/21 is not now due to be received until September 2022. The failure of the External Audit contractor to deliver a timely service in assessing the Council's accounts could potentially mean that a financial governance issue is not resolved, and ultimately may impact on external assessment and partner challenge.</p>	<p>Pressure will continue to be applied on the External Auditors to delivery the reports as currently expected. This is an issue that is affecting many authorities currently, and the Council will continue to monitor national actions relating to external audit delivery.</p>	31/12/22	Assistant Director Corporate & Improvement Services	Interviews

Appendix 2

3	Company Governance The Council's holding company, Colchester Commercial Holdings Ltd, has now been operating for four years. It is therefore appropriate that the governance arrangements for the company are reviewed to ensure that they are operating as anticipated, in particular financial governance processes. This includes systems in place at the company, including financial management and reporting, as well as board responsibilities and skill set.	A review of the effectiveness of current company governance and financial arrangements will be undertaken, by an external advisor, during 22-23 with recommendations to considered at a future G&A meeting.	31/03/23	Assistant Director Place & Client Services	Interviews
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