
The Minutes of the meeting of the Audit, Governance and Standards Committee, held in Committee Room 1, County Hall, Chelmsford on Monday 28 November 2022

[A YouTube recording of the meeting is to be found online.](#)

Present:

Members of the Committee:

Cllr Tony Hedley	Chairman
Cllr Susan Barker	
Cllr David King	
Cllr Aidan McGurran	
Cllr Luke McKenzie	
Cllr Anthony McQuiggan	
Cllr Mark Platt	
Cllr Laureen Shaw	
Cllr Chris Siddall	

ECC Officers:

Christine Golding	Chief Accountant
Stephanie Mitchener	Director, Finance
Paul Turner	Director, Legal and Assurance
Sophie Crane	Senior Democratic Services Officer

Also present:

External Auditors:
Mr David Eagles BDO LLP
Mr Barry Pryke BDO LLP

Welcome and Introduction

Cllr Tony Hedley, the Chairman of the Audit, Governance and Standards Committee, welcomed those in attendance.

1. Membership, Apologies, Substitutions and Declarations of Interest

The report of Membership, Apologies and Declarations was received, and it was noted that:

- Cllr Michael Hoy was no longer a member of the committee and a new nomination had been sought from the Non-Aligned Group Leader, Cllr Chris Pond.
- With the exception of the above change, the membership of the Audit, Governance and Standards Committee was as shown in the report.
- Apologies had been received from Mr Atta Ul-Haque, Independent Member appointed to the Committee.
- No declarations of interests were made.

Cllr Tony Hedley reminded members that any interests must be declared during the meeting if the need to do so arose.

2. Minutes and Matters Arising

The minutes of the meeting held on Monday 31 October were approved as a correct record and there were no matters arising.

3. 2021/22 Audit Planning report for Essex County Council

Christine Golding, Chief Accountant introduced the report (AGS/31/22) and noted that the equivalent planning report for the Essex Pension Fund had been received at the last meeting of the committee.

Mr David Eagles of BDO confirmed that BDO intended to complete the 2020/21 audit of Essex County Council by the end of January 2023. However, this was dependant on the statutory instrument in relation to infrastructure assets being finalised by the Department for Levelling Up, Housing and Communities in December 2022. The 2021/22 audit should then be concluded in March 2023 and the 2022/23 audit would start late summer 2023, following the financial year end.

Mr Barry Pryke of BDO confirmed the following points:

- The materiality threshold for the audit was £40.3 million based on 1.75% of gross expenditure. This was set at group level because the Council is required to consolidate accounts with its two main subsidiaries, Essex Cares and Essex Housing Development LLP, however the vast majority of audit effort would be on the Council's accounts.
- BDO had not identified any issues in relation to independence.
- There was some slippage in the proposed timeline for the audit, however BDO were already working to recover that.

It was confirmed that the proposed additional audit fees would be verified by Public Sector Auditor Appointments Ltd before BDO could invoice ECC. The proposed fees were calculated based on additional work identified after the original scale of fees were set. This was mainly in relation to property valuation and IT audit costs.

It was clarified that the Whole of Government Accounts was an ECC return to HM Treasury, which required an external audit because the size of the Council was above the reporting threshold. This work was directed by HM Treasury and the National Audit Office and, although based on historic data, the tool and instructions required to submit it were unlikely to be available until later in the financial year. It was noted this was outside the Council's control and Members asked to be kept informed of progress in relation to this work.

Mr Pryke gave an overview of the seven audit risks identified. Two of these were new for 2021/22; 'Value of infrastructure' and 'Implementation of My Oracle'. The implementation of My Oracle was a complex and significant project, Officers confirmed that the project risks had been carefully managed and checks and reconciliations were in place, however it was important that Members had independence assurance from BDO on the delivery of this.

It was clarified that the 'actuary' referred to in the report was an expert engaged by the Council to value the Local Government Pension Scheme liability and it was noted that Cllr Susan Barker, Cllr Mark Platt, Cllr David King and Cllr Anthony Hedley were also members of the Essex Pension Fund Board and Investment Steering Committee.

Mr Pryke reminded that members of the committee should contact the external auditors outside of the meeting if they became aware of suspected, alleged or actual fraud which had not already been reported.

Cllr Tony Hedley reminded members of the significance of the remit of the committee and of the importance of questioning report authors. Members thanked Officers for the quality of the answers which had been provided.

Resolved

That the Committee noted the content of the External Auditor's report.

4. Work Programme (AGS/32/22)

Paul Turner, Director, Legal and Assurance introduced the report and confirmed the following points:

- In line with best practice, the proposals for the Audit, Governance and Standards Committee effectiveness review would come to the January 2023 meeting of the Committee.
- There was some risk to the timeline for the external auditor's 2021/22 Audit Completion Report which is due at the March 2023 meeting, officers would continue to work with the external auditor to re-schedule this if it became necessary.

The Work Programme was noted.

5. Date of next Meeting

The date was noted as 30 January 2023.

Chairman
30 January 2023