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## **Minutes of the meeting of the Audit, Governance and Standards Committee, held in the Council Chamber, County Hall, Chelmsford on Monday, 13 December 2021**

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

### **Present:**

#### **Members of the Committee:**

Councillor L Barber	
Councillor A Hedley	Chairman
Councillor D King	
Councillor A McGurran	
Councillor A McQuiggan	
Councillor M Platt	
Councillor C Siddall	
Councillor S Barker	

#### **ECC Officers:**

Melanie Hogger	Director, Technology Services
Mark Rowley	Commercial Operations Manager
Paula Clowes	Head of Assurance
Christine Golding	Chief Accountant
Stephanie Mitchener	Director, Finance
Paul Turner	Director, Legal and Assurance (Monitoring Officer)
Justin Long	Senior Democratic Services Officer (Clerk to the meeting)

#### **Also present:**

Councillor C Whitbread	Cabinet Member for Finance, Resources and Corporate Affairs (part of meeting including item 3)
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### **Welcome and Introduction**

Councillor 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:

1. The membership of the Audit, Governance and Standards Committee was as shown in the report.
2. Apologies had been received from Councillor Hoy, Councillor Shaw, and Atta UI Haque. Councillor Barker was substituting for Councillor Shaw.
3. No declarations of interests were made.

The Chairman, Councillor 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 27 September were approved as a correct record and there were no matters arising.

## **3. Limited Assurance Audit Update – IT Assets**

Paula Clowes, Head of Assurance, introduced the item and members of the Committee then received a presentation from Melanie Hogger, Director, Technology Services. The presentation can be found [here](#).

Following the presentation, members were invited to ask questions and provide comment.

Key points raised during this discussion included:

- Officers would consider whether changes were necessary to the reporting process to identify accounts and assets that had not been used in 90 days.
- Further information would be provided to members on the loss of IT assets across the Council.
- A written answer would be provided on the logging of assets that are not network-connected e.g., projectors and other non-laptop IT equipment.
- Officers would consider retrospective work to ensure that processes were correctly followed when IT equipment was distributed at the beginning of the pandemic in 2020.

The presentation, the questions asked, and the responses may be found online on the [YouTube recording of the meeting](#).

## **4. Limited Assurance Audit Update – Country Parks Stock Control**

Paula Clowes, Head of Assurance, introduced the item and members of the Committee then received a verbal update from Mark Rowley, Commercial Operations Manager.

Following the presentation, members were invited to ask questions and provide comment.

Key points raised during this discussion included:

- The recruitment process was being reopened in the new year for the Food and Beverage Manager, and the pay scales for the role were being reviewed.

- The new post would focus on stock control and rotation to minimise waste as well as reviewing menus, pricing, and general wastage procedures.

The verbal update, the questions asked, and the responses may be found online on the [YouTube recording of the meeting](#).

## **5. Internal Audit and Counter Fraud Progress Report**

The Committee received a report (AGS/22//21 and appendices) from Paula Clowes, Head of Assurance. The report provided the members of the Committee with the position as of 30 November 2021 regarding activity in relation to the 2021/22 Internal Audit and Counter Fraud Plan that had been approved by the Audit, Governance and Standards Committee in March 2021.

Key points noted by members included:

- No audits had received a 'No Assurance' or 'Limited Assurance' rating during the period.
- Six audits had received a 'Satisfactory Assurance' rating.
- As at 30 November 2021 there were 3 Critical, 20 Major and 10 Moderate recommendations open. 54 recommendations had been implemented so far during 2021/22.
- The total number of fraud referrals received to date for the 2021/22 year was 151.
- During this period the work of the Counter Fraud team has resulted in the recovery of £48,257.54 and the prevented future loss of £9,855.00
- Updated figures on the number of staff to have completed the e-learning Fraud Awareness Training would be provided.

The presentation of the report, the questions asked, and the responses may be found online on the [YouTube recording of the meeting](#).

### **Resolved:**

That the progress in audit and counter fraud activity be noted.

## **6. Further delay to the external audit of the Council's 2020/2021 Statement of Accounts**

The Committee received a report (AGS/23/21 and appendix) from Nicole Wood, Executive Director for Corporate Services, presented by Christine Golding, Chief Accountant.

The Chairman reported that he had agreed that representatives from the External Auditor, BDO had not been required to attend the meeting.

The Chairman and members noted their disappointment over the delay in completing the audit for 2020/21, praised the work of council officers, and agreed that council officers were not responsible for the delays.

It was noted that BDO had indicated that they were confident of completing the bulk of the work in December, and this being the case it was anticipated that the Audit Completion Reports would be presented to the Committee for approval in January 2022.

It was further noted that the delay meant ongoing access was needed to the former 'TCS' corporate systems for the purpose of seeing out the 2020/21 audit (at a cost of £38,000 for January 2022), and any proposal by BDO to vary the audit fee for their 2020/21 audit would be subject to careful scrutiny.

The presentation of the report, the questions asked, and the responses may be found online on the [YouTube recording of the meeting](#).

### **Resolved**

The Committee noted:

- The reasons for the further delay to completion of the audit for 2020/21, as set out in the appended report
- The intention to now present the Audit Completion Reports for 2020/21 for the Council's and Essex Pension Fund's financial statements to the Committee on **17 January 2022**, and to ask the Committee to approve the 2020/21 Statement of Accounts for publication on that date too.

## **7. National scheme for local auditor appointments**

The Committee received a report (AGS/24/21) from Christine Golding, Chief Accountant on the process for the retendering for external auditors, for contracts due to start from 1 April 2023 and to cover the audits of accounts for the financial years 2023/24 to 2027/28.

The presentation of the report, the questions asked, and the responses may be found online on the [YouTube recording of the meeting](#).

### **Resolved:**

To defer the decision to the 17 January 2022 meeting of the Committee in order to consult the Essex Pension Fund.

## **8. Work Programme**

The Committee received a report (AGS/25/21) from Paul Turner, Director, Legal and Assurance, that detailed the planned ongoing programme of work.

Members were reminded that the work programme was subject to regular revisions and change.

**Resolved**

That the report be noted.

**9. Date of next meeting**

The Committee noted that the next scheduled meeting will be held on Monday 17 January 2021 at 10:30am at County Hall, Chelmsford and would be preceded by a private meeting for members of the Committee only.

**Chairman**