
The Minutes of the meeting of the Audit, Governance and Standards Committee, held in Committee Room 1, County Hall, Chelmsford on Thursday 25 January 2024

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

Present:

Members of the Committee:

Cllr Anthony Hedley	Chairman
Cllr Anthony McQuiggan	
Cllr Chris Siddall	
Cllr Susan Barker	
Cllr Aidan McGurran	
Cllr Wendy Stamp	
Cllr Jane Fleming	
Cllr Jaymey McIvor	

ECC Officers:

Christine Golding	Chief Accountant
Stephanie Mitchener	Director, Finance
Paula Clowes	Head of Assurance
Paul Turner	Director, Legal and Assurance
Emma Tombs	Democratic Services Manager

Also present:

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

Welcome and Introduction

Cllr Tony Hedley, Chairman of the 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:

- The Membership of the Audit, Governance and Standards Committee was as shown in the report.
- Apologies had been received from Cllr Mark Platt, Cllr Laureen Shaw, Cllr Luke Mackenzie, Cllr David King and Atta Al Haque, Independent member.
- Cllr Jaymey McIvor substituted for Cllr Mark Platt and Cllr Jane Fleming substituted for Cllr Luke Mackenzie.
- Cllr King joined the meeting remotely but he did not take part in any votes.
- 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 25 September 2023 were approved as a correct record. The notes of the informal meeting held on Monday 18 December were approved as a correct record.

Variation in the Order of Business

At the request of the Chairman, all members present agreed to consider items numbered 7 (Risk Management Strategy) and 8 (Changes to Internal Audit Plan) in the agenda pack as the next items of business.

3. Risk Management Strategy

Paula Clowes, Head of Assurance introduced the report (AGS/05/24) which detailed minor updates to the ECC Risk Management Strategy.

Resolved

That the Risk Management Strategy 2023/24 was approved in the form appended to the report.

4. Changes to Internal Audit Plan 2023/24

Paula Clowes, Head of Assurance introduced the report (AGS/06/24) which requested the approval of minor changes to the Internal Audit Plan 2023/24.

Resolved

That the recommended changes to the 2023/24 Internal Audit and Counter Fraud Plan (as outlined in paragraph 3.2 of the report) were approved.

5. 2020/21 Statement of Accounts

Christine Golding, Chief Accountant, delivered a slide presentation which set out the context, main issues and timelines relating to items 5, 6, 7 and 8. The presentation provided an explanation of the adjusted and unadjusted audit differences for Essex County Council and the Essex Pension Fund and was published on the Council's website.

The Chairman invited representatives from BDO to present items 6, 7 and 8, as set out in these minutes, before moving to the recommendations listed in item 5,

AGS/03/24 and these items were considered in conjunction with each other.

Resolved

That the Committee:

- Noted the matters raised in the External Auditor's audit completion reports, which were presented elsewhere on the agenda.
- Agreed not to adjust the 2020/21 Statement of Accounts for the non-material unadjusted misstatements identified within the Audit Completion Reports for the Council and Essex Pension Fund.
- Approved the 2020/21 Annual Governance Statement, which was included in the Statement of Accounts document (pages 194 to 216 of Appendix A to report AGS/03/24).
- Approved the updated draft of the 2020/21 Statement of Accounts (pages 1 to 193 of Appendix A to report AGS/03/24).
- Noted the representations that the Executive Director, Corporate Services and Chairman of the Committee will make on behalf of the Council and the Essex Pension Fund (as set out within the Letters of Representation appended to the audit completion reports for the Council and the Essex Pension Fund, which were presented elsewhere on the agenda).
- Noted that the completion of the audit meant that the former corporate system (TCS) will not be required after the end of February 2024, and endorsed any decision to end the support contract with Fujitsu for the system.

6. 2020 21 Audit Completion Report for Essex County Council

Barry Pryke of BDO summarised the key points in the report (AGS/02/24) noting that there were no significant matters to report to committee.

It was clarified that the national issue relating to infrastructure assets had been resolved and that updated guidance and disclosures had been implemented, this change had not impacted the authority's general fund.

Additional disclosures regarding Reinforced Autoclaved Aerated Concrete (RAAC) had been added as a result of the high profile of this issue, however there had been no material impact on the accounts.

The reported also noted a presentational issue regarding income on the face of the Comprehensive Income and Expenditure Statement (CIES).

Mr Pryke asked that if committee members were aware of any suspected, alleged, or actual fraud, that had not been brought to BDO's attention already through the

usual channels, that they contact BDO directly.

David Eagles of BDO, clarified that there was nothing in the report indicated that there would be major issues relating to infrastructure assets in the work associated with the 2021/22 or 2022/23 accounts audit.

Resolved

That the report was noted.

7. 2020/21 Audit Completion Report for Essex Pension Fund

David Eagles of BDO, introduced the report (AGS/03/24) confirming that there were no material matters to report to the Committee. Mr Eagles explained the materiality threshold which had been used in the report. It was noted that the tri-annual valuation published March 2023 would however generate some additional work in finalising the 2021 22 accounts for the Pension Fund.

Mr Eagles asked that if committee members were aware of any suspected, alleged, or actual fraud, that had not been brought to BDO's attention already through the usual channels, that they contact BDO directly.

Resolved

That the report was noted.

8. Auditor's Annual Report for 2020/21

David Eagles of BDO introduced the report (AGS/04/24) and confirmed that no areas of significant weakness had been identified for the council.

Mr Eagles explained that governance concerns regarding the South East London Local Enterprise Partnership (SELEP) for which Essex County Council was the accountable body, had been brought to the attention of the external auditors. A summary of this work had been included in the report for completeness, however the partnership would be wound up by March 2024.

Members noted the reported performance in relation to compliance with Local Government Social Care Ombudsmen recommendations and agreed to seek further information on this matter outside the meeting.

It was noted that the Auditor's Opinion could be issued after the committee meeting had taken place. The Annual report could then be updated to include the date of the signed opinion and be presented to Full Council in February 2024.

It was noted that the report was for information only.

9. Work Programme

Cllr Aidan McGurran raised the possibility of there being further business for the committee relating to the payments made to people working in social media. Members agreed to await the Leader's statement at Full Council in February 2024 before considering whether this matter should be added to the Committee work programme.

10. Date of next Meeting

It was noted that the next meeting was scheduled for 25 March 2024.

**Chairman
2024**