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## **The notes of the Informal meeting of the Audit, Governance and Standards Committee, held in Committee Room 1, County Hall, Chelmsford on Monday 18 December 2023**

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

### **Present:**

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

Cllr Tony Hedley	Chairman
Cllr Susan Barker (online)	
Cllr David King (online)	
Cllr Aidan McGurran	
Cllr Mark Platt	
Cllr Laureen Shaw (online)	
Cllr Chris Siddall	
Mr Atta Ul-Haque (online)	Independent Member appointed to the Committee

#### **ECC Officers:**

Paula Clowes (online)	Head of Assurance
Christine Golding	Chief Accountant
Stephanie Mitchener	Director, Finance
Paul Turner	Director, Legal and Assurance
Sophie Crane	Senior Democratic Services Officer
Judith Dignum	Democratic Services Officer

### **Also present:**

External Auditor:  
Mr David Eagles BDO LLP  
Mr Geraint Jones BDO LLP  
Mr Ciaran McLaughlin 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:

- The Membership of the Audit, Governance and Standards Committee was as shown in the report.
- Apologies had been received from Cllr Luke Mackenzie and Cllr Wendy Stamp.
- No declarations of interests were made.

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## **2. Absence Management Audit Progress Update**

At the September 2023 meeting of the Audit, Governance and Standards Committee it had been reported that the Absence Management audit had received a Limited Assurance opinion. Members had therefore agreed that relevant officers should be invited to provide an update to the Committee. Alison Woods, Director, People Business Partnering and Employment Practice, joined online and provided an update on the actions being taken to respond to the Audit Report.

Members discussed the data which had been provided and requested that more accurate information regarding forfeited leave days be sought. Members also asked for an analysis of the reasons for the particularly high numbers of forfeited leave days in the 'Climate Environment and Customer Services' function. It was clarified that the audited data may not have been an accurate reflection of the situation because it had been collected via a self-service system into which individual employees and managers entered information directly. It was therefore noted that when benchmarking with other authorities it would be helpful to also find out when their systems had last been audited.

Members noted the report and asked Alison Woods to provide a further update via email in due course.

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

Paula Clowes, Head of Assurance, introduced the report which covered the period September to November 2023, and highlighted the following matters of particular note:

- Four audits had received a Limited Assurance opinion (Waste Services, 2 x Capital Projects, Multiply Grant)
- Two audits had received a Good Assurance opinion.
- Three audits had received a Satisfactory Assurance opinion.
- As at 30 November 2023 there had been **13** Major and **55** Moderate recommendations open and no open Critical recommendations.
- During the period the work of the Counter Fraud team has resulted in 3 employees facing disciplinary action.
- The Internal Audit 5 yearly External Quality Assessment had been completed in November 2023 and the team had received an outcome of 'generally conforms' (the highest).

Paula Clowes undertook to respond to a number of detailed questions from Mr Atta Ul-Haque via email and to circulate the responses to all members of the Committee. Members discussed the Limited Assurance Audits and noted that the audits of the Chelmsford North-East Bypass and the Beaulieu Park Station were of particular concern given the issues identified regarding project governance and the risks around cost management arising from inflation.

Members noted the report and agreed that the responsible officers for Chelmsford North-East Bypass and the Beaulieu Park Station should be asked to attend a

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future meeting of the Committee to provide an update on the internal audit recommendations.

#### **4. 2020/21 Statement of Accounts and Audit**

Christine Golding, Chief Accountant, introduced the report and invited representatives from the external auditors BDO to provide an update.

Mr David Eagles, BDO confirmed that their expectation was that BDO would bring a completed audit report for 2020/21 to the Committee scheduled for 25 January 2024. This work had been delayed by additional requirements around testing of ECC schools' cash balances which has arisen from BDO's quality review process. Mr Eagles confirmed that he had extended his retirement date to accommodate this work.

Members were concerned that, given that this additional work involved obtaining responses regarding approximately 200 schools, the January target date may not be realistic. It was clarified that BDO would continue to work on the other outstanding matters from the 2020/21 audit alongside the schools' reconciliation and that they therefore considered the target was realistic.

Mr Ciaran McLaughlin, BDO informed members that he would be responsible for the 2021/22 and 2022/23 audit reports, with 2022/23 being the last report that BDO were contracted to undertake for ECC. Mr McLaughlin outlined the resources which had been put in place to enable those audits to be reported to Committee in March and September 2024 respectively. It was noted that the formal government response to the consultation on local authority external audit backstop arrangements had not yet been published and would be factored into plans once the detail was confirmed.

#### **5. Work Programme**

Members noted the work programme and agreed that the additional items arising from the Internal Audit and Counter Fraud Progress Report should be scheduled.

#### **6. Date of next Meeting**

It was noted that the next formal meeting of the Audit and Governance Committee had been scheduled for Thursday 25 January 2024.

Cllr Tony Hedley closed the informal meeting.