
Minutes of the meeting of the Audit, Governance and Standards Committee, that was held remotely on Monday, 16 November 2020

A YouTube recording of the meeting is to be found online.

Present:

Members:

Councillor G Butland	
Councillor P Channer	
Councillor A Davies	
Councillor A Hedley	Chairman
Councillor A Jackson	
Councillor R Mitchell	
Councillor Dr R Moore	
Councillor M Platt	
Councillor K Smith	
Councillor A Turrell	
Mr Atta Ul Haque	Independent member appointed to the committee

Also Present:

David Eagles	BDO LLP (external auditor)
Barry Pryke	BDO LLP (external auditor)

ECC Officers:

Paula Clowes	Head of Assurance
Christine Golding	Chief Accountant
Andy Gribben	Senior Democratic Services Officer (clerk to the meeting)
Stephanie Mitchener	Director, Finance
Paul Turner	Director, Legal and Assurance (Monitoring Officer)

1. Welcome and Introduction

Councillor Hedley welcomed those attending the meeting of the Audit, Governance and Standards Committee.

2. Remote working

Councillor Hedley reminded everyone that although members are attending the meeting remotely, they should remain engaged in the meeting, refrain from responding to emails and texts during the meeting and put all devices on silent mode.

Members were reminded to keep their microphone on mute for the duration of the meeting unless they wished to speak and to address all remarks through the Chairman.

Councillor Hedley also reminded members that the meeting was to be broadcast

live over the internet and will then be publicly available on the County Council's website and on YouTube after the meeting. More details were set out in the agenda. He also asked those persons watching via YouTube that if they chose to utilise the subtitle function the Council could not accept responsibility for their accuracy.

3. 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. No apologies had been received.
3. Declarations of Interests:

In response to a question, the Director, Legal and Assurance (Monitoring Officer) advised members that they need not declare interests as Deputies to Cabinet Members.

The Chairman, Councillor Hedley reminded members that any interests must be declared during the meeting if the need to do so arose.

4. Minutes and Matters Arising

The minutes of the meeting held on Monday 28 September 2020 were approved as a correct record and signed by the Chairman.

Minute 11: Arising from the convening of a Task and Finish Group to examine Council-wide online forms three Members, Councillor Butland, Mackrory and Mitchell had volunteered and they would be scoping the work and drawing up the Terms of Reference.

5. Variation in the Order of Business

With the agreement of the members of the committee the Chairman varied the order of business such that the Appointment of an Independent Member of the Audit, Governance and Standards Committee became the next item of business.

6. Appointment of Independent Member

The Director, Legal and Assurance presented report AGS/86/20 that noted that at its meeting on 14 July 2020, Full Council agreed to the appointment of an Independent Member to the Audit Governance and Standards Committee in line

with current best practice and as recently recommended by Sir Tony Redmond in his report 'Independent review into the oversight of local audit and the transparency of local authority financial reporting'.

Members of the committee were asked to approve the appointment of an Independent Member to the Committee.

Resolved

1. That the Committee appoints Atta Ul Haque as an Independent Member of the Audit, Governance and Standards Committee from 16 November 2020 for a term of four years.
2. That Mr Ul Haque's appointment be subject to completion of an induction programme.

7. Deferral of Completion of the External Audit of the Council's 2019/20 Statement of Accounts

The Chief Accountant presented report AGS/82/20 which included an update by the Council's External Auditor, BDO LLP, on the reasons for a further delay in completion of the audit of the Council's Statement of Accounts for 2019/20 and to seek approval to schedule a further meeting to receive the Audit Completion Report and to approve the Accounts.

In response to questions from members of the committee, Mr Eagles (BDO LLP):

- explained that the matters that had led to this further delay in completion of the 2019/20 audit, specifically relating to the valuation of assets, had now been resolved. He explained that the Council had refined BDO's initial estimate of the uncertainty regarding asset values, and that the subsequent calculation resulted in a residual difference below BDO's materiality threshold,
- agreed that any reputational risk to the Council arising from the need for Council officers to make subsequent adjustments to the presented accounts was to be avoided and
- was able to assure the committee that, if reconvened on 30 November 2020, it would be able to examine the Audit Completion Reports for the Council and Essex Pension Fund, and to approve the 2019/20 Statement of Accounts.

Resolved:

1. The Committee noted the reasons for the further deferral of completion of the audit for 2019/20, as appended to the report (appendix B) and
2. The Committee agreed to schedule a further meeting on 30 November 2020 in order to meet receive BDO's Audit Completion Reports for the Council and Essex Pension Fund for 2019/20, and to approve the Council's 2019/20 Statement of Accounts for publication.

8. Internal Audit and Counter Fraud Progress report

The committee received report AGS/83/20 from the Head of Assurance.

Members of the committee were advised of Internal Audit and Counter Fraud activity in relation to the 2020/21 Internal Audit Plan (approved by the Audit, Governance and Standards Committee in July 2020). The report advised members of the situation as at 31 October 2020.

Members also noted the appendices including:

- Appendix 1 - Executive Summaries for Limited Assurance Reports,
- Appendix 2 - Current assessment rationale for grading the priority of recommendations in Internal Audit reports and
- Appendix 3 - Critical and Major Recommendations overdue for implementation as at 31 October 2020.

The Council's Head of Assurance asked members to note that:

- No reports with 'No Assurance' had been issued during the period.
- One audit had been completed that received 'Limited Assurance' relating to the Energy Invoice Process. With the agreement of members an officer representing that service would be requested to attend the committee at its next regularly scheduled meeting in March 2021.
- As at 31 October 2020 there were four 'Critical' and fourteen 'Major' recommendations open, of which three 'Major' recommendations and 39 'Moderate' recommendations had moved beyond their latest agreed due date. The three 'Major' recommendations were shown in the appendix to the report.
- Members were asked to note that progress had been made with implementing audit recommendations as last year there were twelve 'Major' and two 'Critical' recommendations that were overdue.
- Members also noted that Counter Fraud Referrals that had been previously reported as significantly lower than the same period last year, due to the Covid-19 pandemic, were now returning to normal levels.

In response to a question it was explained that the use of the Counter-Fraud Data Hub related to inappropriate claiming of the Single Person's Council Tax Discount. The costs of participating in the scheme was £26,822 per year. The Head of Assurance agreed that, in this context, it would be more appropriate to refer to the monies identified not as 'saved' but as 'recovered'.

She also advised members that information provided to the Cabinet Office under the National Fraud Initiative is supplied under strict statutory guidelines that specify what data may be shared and service users are informed.

Resolved

1. That the report be noted.

2. That an appropriate officer be invited to the next meeting (March 2021) to provide an update on the limited assurance audit for Energy Invoice Process

9. Annual Report of the Audit Governance and Standards Committee

The committee received report AGS/84/20 from the Director, Legal and Assurance to review and approve the Annual Report of the Audit, Governance and Standards Committee, attached at appendix 1 to the report, prior to it being presented to Full Council in December 2020.

Resolved

The Annual Report of the Audit Governance and Standards Committee was approved and agreed that it should be presented to Full Council in December 2020.

10. Standards: Best Practice Recommendations

The committee received report AGS/85/20 from the Director, Legal and Assurance that asked members of the committee to consider the draft progress report, as detailed in the appendix, to the Committee on Standards in Public Life.

Resolved

The draft response was agreed.

11. Work Programme

The report (AGS/87/20) was presented by the Director, Legal and Assurance. Members were reminded that the work programme was subject to regular revisions and change.

Members noted that the programme showed only the meeting on 22 March 2021 and officers were requested that the next Work Programme be populated with the subsequent scheduled meetings.

Resolved

The Work Programme was noted.

12. Date of the Next Meeting

Members noted that (arising from Minute 7, above) the next meeting of the committee would be held on Monday 30 November at 10.30am (virtually) and would

be preceded by a private meeting for members of the committee only and that the subsequent scheduled meeting would be held on Monday 22 March 2021.

Chairman.....