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**Notes of the discussion that took place between the members of the Audit, Governance and Standards Committee, held online as a 'virtual conversation' at 10:00am on Monday, 23 March 2020**

**Members:**

Councillor P Channer

Councillor A Davies

Councillor T Hedley (Chairman)

Councillor M Maddocks

Councillor R Mitchell

Councillor M Platt

Councillor A Sheldon

Councillor A Turrell

**Also Present:**

David Eagles

Barry Pryke

BDO LLP (external auditor)

BDO LLP (external auditor)

**ECC Officers:**

Paula Clowes

Victoria Freeman

Christine Golding

Andy Gribben

Head of Assurance

Senior Democratic Services Officer

Chief Accountant

Senior Democratic Services Officer (clerk to the meeting)

Paul Turner

Director, Legal and Assurance (Monitoring Officer)

**1 Welcome and Introduction**

The Vice-Chairman, Councillor Hedley, in the absence of the Chairman, Councillor Cutmore who had sent his apologies, welcomed members of the committee, officers, and the representatives from BDO LLP, the Council's external auditors, to the virtual meeting.

He reminded everyone that this was not a formal meeting of the committee and it would not be possible to make formal decisions, but it was a chance for the committee members to discuss items on the agenda and give feedback to officers and the external auditor. The meeting was not being broadcast or recorded.

**2 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 for absence had been received from Councillor Cutmore (the chairman of the committee), and Councillors Erskine, Mackrory, Moore, Scordis and Smith. Councillor Hedley, being the Vice-Chairman of the committee chaired the online discussion.

3. This not being a formal meeting of the committee there were no declarations of code interests or disclosable pecuniary interests required. However, it was noted that Councillor Hedley was a member of the Essex Pension Strategy Board and Councillor Channer a member of the Essex Cares Board.

### **3 Minutes and Matters Arising**

The meeting being online, matters being for discussion only and no formal decisions being made, the minutes of the meeting held on 20 January 2020 were received without comment. The decision to agree the minutes was deferred to the next formal meeting of the committee.

### **4 Internal Audit and Counter Fraud Progress Report**

The committee received a report (AGS/60/20) from Paula Clowes, Head of Assurance, Essex County Council.

Members noted the position regarding Internal Audit and Counter Fraud activity in relation to the 2019/20 Internal Audit Plan (approved by the Audit, Governance and Standards Committee in March 2019) and that it reflected the situation as at 11 March 2020.

The meeting being online, matters being for discussion only and no formal decisions being required, the report was noted.

### **5 Prosecution and Sanction Policy (Fraud and Corruption)**

The committee received a report (AGS/61/20) from Paula Clowes, Head of Assurance, Essex County Council

The report advised members that the council had a duty to seek to eliminate fraud and bribery in order to protect public funds, and ensure that, where fraudulent activity is detected, appropriate action is taken in a fair and consistent way. As such, the Council has a Prosecution and Sanction Policy (Fraud and Corruption) to outline its approach and commitment to addressing instances of detected fraud and corruption.

In response to a question, members were advised that the sanction imposed, including, if appropriate an immediate suspension, would be dependent on the nature of the infringement and the risk to the council.

The members of the committee had been asked to make a decision to adopt the policy attached at appendix 1 to the report but meeting being online, matters being for discussion only and no formal decisions being made, the report was received, and the matter deferred to the next formal meeting of the committee.

## **6 Closure of Accounts 2019/20**

The committee received a report (AGS/62/20) by Nicole Wood, Executive Director, Finance and Technology presented by Christine Golding, Chief Accountant, Essex County Council.

The purpose of the report was to provide the committee with an overview of the activities and arrangements in place for closure of the Council's 2019/20 accounts, and for production and approval of the Statement of Accounts.

Members were advised that there was an expectation that the current statutory deadlines for the closure of accounts would be revised in view of the current national situation.

The meeting being online, matters being for discussion only and no formal decisions being made, the report was received, and the matter deferred to the next formal meeting of the committee.

## **7 2019-10 Audit Plans for Essex County Council and the Essex Pension Fund**

The committee received a report (AGS/63/20) by Nicole Wood, Executive Director, Finance and Technology and presented by Christine Golding, Chief Accountant, Essex County Council.

Members were also addressed by Barry Pryke of BDO LLP who presented the external auditor's plans for the County Council and for the Essex Pension Fund, as appended to the report.

The meeting being online, matters being for discussion only and no formal decisions being required, the report was noted.

## **8 Regulation of Investigatory Powers Act 2000 – Review of Activity**

The committee received a report (AGS/64/20) from Paul Turner, Director, Legal and Assurance.

The committee were advised that no applications for authorisation to undertake Directed Surveillance or use a covert human intelligence source (CHIS) had been made by ECC since the last written report to the Committee in December 2018.

The meeting being online, matters being for discussion only and no formal decisions being required, the report was noted.

## **9 Audit Committee Effectiveness review**

The committee received a report (AGS/65/20 and appendices) from Paul Turner, Director, Legal and Assurance.

The committee considered the action plan following the effectiveness review undertaken in March 2020.

The meeting being online, matters being for discussion only and no formal decisions being made, the report and the action plan shown at appendix 1 of the report was received. It was also noted that:

- The Chairman may approve the recommendation that future meetings of the committee will start at 1030 hours with all members be asked to attend from 0945 to attend a briefing session/pre meeting and
- The other recommendations be referred to the next meeting of Council to include:
  1. That the composition of the committee be amended to include a co-opted independent member to be recruited by the committee and
  2. if Council accepts the recommendation relating to independent members that the interview panel should comprise the Chairman and two other members, at least one of which shall be an opposition member and that the recruitment panel should be appointed.

## **10 Internal Audit Plan for 2020/21**

The committee received a report (AGS/66/20) from Paula Clowes, Head of Assurance, Essex County Council.

The report detailed the activity of the Internal Audit and Counter Fraud Service in order to provide the Audit, Governance and Standards Committee with an independent, objective, and evidence-based opinion on the overall adequacy and effectiveness of the Council's system of internal control. The planned coverage also informed the Council's Annual Governance Statement.

The meeting being online, matters being for discussion only and no formal decisions being made, the report was received, and the matter deferred to the next formal meeting of the committee.

## **11 Work Programme**

The committee received a report (AGS/67/20) from Paul Turner, Director, Legal and Assurance and noted that the document was subject to regular revisions and change.

The meeting being online, matters being for discussion only and no formal decisions being required, the report was noted.

## **12 Date of Next Meeting**

The committee noted that the next meeting would be held on Monday 1 June 2020, at 10.00am in Committee Room 1, County Hall.

*Post meeting note: because of the prevailing 'lock-down' the next meeting was re-scheduled to be on Monday 6 July 2020, at 10.00am, in Committee Room 1, County Hall or online (as circumstances dictate).*

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**Chairman**  
**6 July 2020**