
Minutes of the meeting of the Audit, Governance and Standards Committee, held in Committee Room 1, County Hall, Chelmsford, CM1 1QH on Monday, 3 June 2019

Present:

Members:

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| Councillor P Channer | |
| Councillor T Cutmore | Chairman |
| Councillor A Davies | |
| Councillor M Mackrory | (substitute for Councillor A Turrell) |
| Councillor M Maddocks | (substitute for Councillor A Erskine) |
| Councillor R Mitchell | |
| Councillor Dr R Moore | |
| Councillor M Platt | |

Also Present:

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| Barry Pryke | BDO LLP (external auditors) |
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ECC Officers:

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| Sam Andrews | Essex Pensions |
| Paula Clowes | Head of Assurance |
| Christine Golding | Chief Accountant |
| Andy Gribben | Senior Democratic Services Officer (clerk to the meeting) |
| Margaret Lee | Executive Director, Corporate and Customer Services |
| Paul Turner | Director, Legal and Assurance (Monitoring Officer) |

1 Welcome and Introduction

The Chairman welcomed members of the committee, officers in attendance, the representative from Essex Pensions and BDO LLP, the external auditors.

He reminded members that the meeting was being broadcast live over the internet and that the full discussion would be publicly available on the County Council's website after the meeting.

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, the Council's members and Councillor Cutmore as Chairman having been appointed at the Annual meeting of Council on 14 May 2019.

2. Apologies for absence had been received from Councillor Erskine who was substituted by Councillor Maddocks, Councillor Hedley, Councillor Smith and Councillor Turrell who was substituted by Councillor Mackrory.
3. With respect to items on the agenda:
 - Councillor Channer declared an interest in respect of item 4 that she was a member of the Board of Essex Cares Ltd and was an elected member of Maldon District Council who benefit from the Essex Pension Fund. There was also a reference to Vision of Essex to which Maldon District Council was a signatory. She also declared in respect of item 7 that she had made a declaration that appeared on the register of Gifts and Hospitality,
 - Councillor Platt declared an interest in respect of item 4 that he was Vice-Chairman of the Essex Pension Fund,
 - Councillor Davies declared an interest in respect of item 4 that he was in receipt of an LGPS Deferred Pension and
 - Councillor Maddocks declared an interest in respect of item 4 as he was in receipt of an Essex Pension.

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

3 Appointment of Vice-Chairman

It having been moved by Councillor Channer and seconded by Councillor Maddocks, and there being no other nominations, it was

Resolved

That Councillor Hedley be appointed as Vice-Chairman of the Committee.

4 Minutes and Matters Arising

The minutes of the meeting held on 25 March 2019 were approved as a correct record and signed by the Chairman.

It was noted that at the meeting held on 25 March, members of the committee had expressed concern about the owners of recommendations repeatedly failing to provide updates to the Internal Audit service. The Committee had agreed that a letter from the Chairman be sent requesting updates. This had been done and the results of that undertaking were presented to members as item 6 on the agenda.

5 To Approve the Draft Statement of Accounts 2018/2019 and the Draft Annual Governance Statement

The members of the committee received a report (AGS/32/19 and appendix) from Margaret Lee, Executive Director for Corporate and Customer Services and presented by Christine Golding, Chief Accountant.

The presentation, subsequently circulated to members, outlined the principle aspects of the Draft Statement of Accounts 2018/19 including:

- The timetable for the approval and publication of the Statement of Accounts 2018/19 and the role of the Audit, Governance and Standards Committee.
- An overview of the content of the Statement of Accounts for 2018/19.
- The purpose and content of the main financial statements including:
 - Income and Expenditure Statement,
 - Movement in reserves Statement
 - Balance Sheet and
 - Cash Flow Statement.
- Some of the other information presented in the Accounts.

The Chairman invited the Monitoring Officer, Paul Turner to introduce the Annual Governance Statement, that reviewed the Council's governance arrangements. The report outlined the six principles of good governance addressed by 20 questions that sought to check and improve compliance. The results were to be taken to the Corporate Governance Committee.

The members of the committee asked questions and considered both the Draft Statement of Accounts and the Annual Governance Statement. The discussion may be [heard published online on our website](#).

It having been moved by Councillor Mitchell and seconded by Councillor Maddocks it was

Resolved

- 1 That the Committee note the arrangements for approval and publication of the Council's Accounts for 2018/19 and
- 2 the Committee receive the draft Annual Governance Statement 2018/2019, as appended to the report.

6 Internal Audit and Counter Fraud Annual Report 2018/19

The members of the committee received a report (AGS/33/19 and appendix) from Paula Clowes, Head of Assurance.

Members were advised that the Accounts and Audit Regulations 2015 required that the Council maintain an adequate and effective internal audit service and annually the Head of Assurance must deliver an internal audit opinion and report that can be used by the council to inform its Annual Governance Statement (AGS).

The report before members included an opinion on the overall adequacy and effectiveness of the organisation's control environment (framework of governance, risk management and control).

It was requested by members that future reports to the committee be accompanied by simpler graphics. Committee asked when the reports that were currently draft would be reported on to committee, in particular Cyber Security. Members were advised that these reports would be presented at the September meeting as part of the next Internal Audit progress report. The discussion may be [heard published online on our website](#).

It having been moved by Councillor Maddocks and seconded by Councillor Moore it was

Resolved

That the Internal Audit and Counter Fraud Annual Report and the opinion on the overall adequacy and effectiveness of the organisation's internal control environment be noted.

7 Update on Internal Audit Recommendations

The members of the committee received a report (AGS/34/19 and appendix) from Paula Clowes, Head of Assurance.

Members were advised that the Accounts and Audit Regulations 2015 required the Council to maintain an adequate and effective internal audit service in accordance with proper practices and make recommendations for the improvement of the control environment, risk management or governance arrangements.

The report provided members of the committee with the updates received from recommendation owners since the Audit, Governance and Standards Committee

(AGS) Chairman wrote to them requesting updates. The discussion may be [heard published online on our website](#).

It was suggested by the Chairman that some recommendation owners should be requested to attend the committee to explain the progress (or lack thereof) in implementing the internal audit recommendations by the agreed date.

It having been moved by Councillor Maddocks and seconded by Councillor Moore it was

Resolved

That the report be noted and that the following persons be invited to attend the next meeting of the committee to provide updates on outstanding recommendations:

- Interim Director of Technology Services and
- Director, Safeguarding & Quality Assurance (Adult Social Care)

8 Review of Register of Gifts and Hospitality Register

The members of the committee received a report (AGS/35/19 and appendix) from Paul Turner, Director, Legal and Assurance that informed them of the outcome of the review of the 2018-19 Member Gifts and Hospitality register.

The members of the committee discussed the report and had no further recommendations to make. The discussion may be [heard published online on our website](#).

It having been moved by Councillor Platt and seconded by Councillor Maddocks it was

Resolved

That the findings of the review be noted.

9 Work Programme

The members of the committee received a report (AGS/36/19) from Paul Turner, Director, Legal and Assurance

The Chairman brought to the attention of Members that at the meeting scheduled for 29 July members would receive for approval the *Statement of Accounts and the Annual Governance Statement*.

Additionally, it was noted that the *Update on the Level of Assurance (Health and Safety)* that had been scheduled for the meeting in June had been rescheduled to be brought to the September meeting instead together with the *Risk Management*

Strategy and the commissioned audit undertaken by PwC on the Council's *Risk Management*.

Members of the committee noted that the Work Programme was subject to regular revisions and change and members were encouraged to suggest to the Chairman or to officers should they wish a matter to be included in the programme.

12 Date of Next Meeting

Members noted that the next meeting of the committee was scheduled to be on Monday 29 July 2019 at 10.00am in Committee Room 1

The meeting closed at 11.15am.

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Chairman
3 June 2019