
Minutes of the meeting of the Audit, Governance and Standards Committee, that was held remotely on Monday, 22 March 2021

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

Present:

Members:

Councillor G Butland	
Councillor A Davies	
Councillor A Hedley	Chairman
Councillor A Jackson	
Councillor R Mitchell	
Councillor Dr R Moore	
Councillor M Platt	
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:

Samantha Andrews	Investment Manager (Essex Pension Fund)
Joanna Boaler	Head of Democracy and Transparency
Paula Clowes	Head of Assurance
Paul Crick	Director for Performance, Investment and Delivery Place and Public Health
Christine Golding	Chief Accountant
Andy Gribben	Senior Democratic Services Officer (clerk to the meeting)
Carolyn Peters	Citizen Services Manager
Juliet Pirez	Head of Libraries
Elizabeth Sippings	Citizen Services Manager
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 informed members that the meeting was to be broadcast live over the internet and would 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 use the YouTube 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. Apologies had been received from Councillors Channer and Smith and it was noted that Councillor Erskine, a substitute member of the committee, regretted he was unable to attend as an observer.
3. Declarations of interests were made by Councillors Davies, Hedley and Platt as they were members of the Essex Pensions Board.

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 30 November 2020 were approved as a correct record and signed by the Chairman.

5. Update on Libraries Audit Recommendations

Introduced by Paula Clowes, Head of Assurance, members received an update relating to the Limited Assurance Libraries Stock Control Audit Review from Juliet Pirez, Head of Libraries, Essex County Council and assisted by Carolyn Peters and Elizabeth Sippings. They shared with members a presentation on the Library Service Stock fees and charges.

Members were informed of:

- Data cleanse opportunities and improved stock management,
- Stocktake Protocol, New Stock and Stock Disposal,
- Supplier Selection Criteria,
- Driver Protocols and Insurance Checks,
- System Access Checks,

- Online and Cash Payments,
- Business Continuity Arrangements for LMS,
- Data Policy and Decision Making and
- Libraries Dashboard Report and Waived Debt reporting.

A copy of the internal audit report (for information only) had been sent by email to Members of the committee.

The members of the committee asked questions. The questions asked and the responses may be found online on the [YouTube recording of the meeting.](#)

Resolved:

The update was noted.

6. Update on Energy Invoices Audit Recommendations

Introduced by Paula Clowes, Head of Assurance members of the committee received an update relating to the Limited Assurance Energy Invoices Audit Review from Paul Crick, Director for Performance, Investment and Delivery Place and Public Health, Essex County Council. He shared with members a presentation on the Energy Audit Update.

Members were informed of:

- Mite Contract,
- Energy Auditing,
- Example of Wave reporting,
- Reconciliation of Various Site Lists,
- Acquisitions and Disposals List,
- End to End Process Documentation,
- Contractual Agreement,
- Tolerances and
- Quarterly Meeting Minutes.

A copy of the internal audit report (for information only) had been sent by email to Members of the committee.

The members of the committee asked questions. The questions asked and the responses may be found online on the [YouTube recording of the meeting.](#)

Resolved:

The update was noted.

7. External Auditor's Annual Audit Letter 2019/20

The committee received report AGS/01/21 and Appendix from Nicole Wood, Executive Director, Finance and Technology and presented by Christine Golding, Chief Accountant. She introduced David Eagles and Barry Pryke, representing the council's external auditors BDO LLP, who explained that the report provides a summary of the matters already communicated to the Council in relation to the 2019/20 audit of the Council.

The members of the committee asked questions, specifically seeking an assurance that the audit completion certificate would be issued soon. The questions asked and the responses may be found online on the [YouTube recording of the meeting](#).

Resolved:

The Committee noted the report and referred it to the next available meeting of the Full Council.

8. Arrangements for the closure of the 2020/2021 Accounts

Members of the committee received report AGS/02/21 from Nicole Wood, Executive Director, Finance and Technology and presented by Christine Golding, Chief Accountant which set out the arrangements for closing the Council's accounts for 2020/21. Members were asked to note that the government have again extended the statutory timetable for production and publication of the Statement of Accounts. the closure of accounts final audited accounts and publish.

The members of the committee asked questions. The questions asked and the responses may be found online on the [YouTube recording of the meeting](#).

Resolved:

1. The Committee noted the arrangements in place for closure and approval of the Council's Accounts for 2020/21 and
2. The Committee agreed, as a consequence of changes to the statutory timetable for production and publication of the 2020/21 Statement of Accounts, to:
 - cancel the meetings it currently has scheduled for 7 June and 26 July 2021,
 - schedule a new meeting on 28 June 2021 to receive the draft Statement of Accounts for 2020/21 and
 - note the intention to present the 2020/21 Statement of Accounts to the Committee for approval on 27 September 2021.

9. 2020/21 External Audit Plans for Essex County Council and the Essex Pension Fund

The committee received report AGS/03/21 and Appendices 1 and 2 from Nicole Wood, Executive Director, Finance and Technology and presented by Christine Golding, Chief Accountant. She invited David Eagles, and Barry Pryke, representing the council's external auditors BDO LLP, to present the plans for the Council and for the Essex Pension Fund.

In relation to the changes to the statutory timetable for the 2020/21 Accounts, David Eagles regretted that he was unable to be confident that the external auditors would be in a position to meet the end of September deadline. He advised members of the committee that the external auditors had been unable to undertake any preparatory work, meaning that the whole of the audit would have to be undertaken at the final audit stage. BDO LLP had made representations to MHCLG to extend the deadline beyond 30 September, but to no avail. Consequently, achieving the end of September deadline will be challenging.

The chairman reminded members of the committee that the Redmond Report had highlighted resourcing shortfalls but the target date for the closure of the accounts remained.

Barry Pryke advised the members of the committee the council plans key parts of the report relating to the Council. Members were informed of:

- The scope of the audit,
- Independence and fees summary,
- Components in the group,
- The proposed audit timeline,
- An overview of identified risks and
- Other Matters.

Barry Pryke advised the members of the committee the council plans key parts of the report relating to the Essex Pension Fund. Members were informed of:

- Materiality,
- Fees and
- An overview of the audit risks.

The members of the committee asked questions relating to both the External Audit Plans for Essex County Council and the Essex Pension Fund. The questions asked and the responses may be found online on the [YouTube recording of the meeting](#).

Resolved:

1. That the Committee note the content of BDO's report and
2. That the Committee asks BDO to present a further report to its June 2021 meeting, setting out any significant changes to their audit strategy for 2020/21, and their risk assessment and planned approach to the Use of Resources.

10. Regulation of Investigatory Powers Act 2000 - review of activity on use of Directed Surveillance and Covert Human Intelligence Sources (CHIS)

The committee received report AGS/04/21 from Paul Turner, Director, Legal and Assurance.

Resolved:

That the Committee note that no applications for directed surveillance or the use of a CHIS had been made by anyone at ECC since the last report in March 2020.

11. Internal Audit and Counter Fraud progress report

The committee received report AGS/05/21 and Appendices 1-4 from Paula Clowes, Head of Assurance that highlighted the key issues being:

- That there were no 'No Assurance' audits within the reporting period,
- One 'Limited Assurance' audit which members will have noted that they had received an update on that matter earlier in the meeting and
- As from 1 March there were six 'Major internal audit recommendations that were overdue and they were to be found in the appendices to the report.

Additionally, the report sought approval for the changes to the current Internal Audit Plan the majority of which were to defer audits into next year's Audit Plan.

Resolved:

1. That the progress in audit and counter fraud activity be noted and
2. the changes to the 2020/2021 Internal Audit and Counter Fraud Plan, as outlined in appendix 4 to the report were approved.

12. Updating of Risk Management Strategy 2021

The committee received report AGS/06/21 and appendix from Paula Clowes, Head of Assurance who asked members to note that in the previous year there had been a full refresh of the strategy and the update before members was to note a minor amendment. relating to 'issues' are now recorded on the Strategic Risk Register in exceptional circumstances; of which there had been many in the current year because of the pandemic.

Resolved:

To approve the report in the form appended to the report.

13. Approval of annual Internal Audit and Counter Fraud Plan for 2021/22

The committee received report AGS/07/21 and appendix from Paula Clowes, Head of Assurance that proposed a more flexible approach to audit planning to allow for any pandemic related unforeseen service or resourcing shortfalls.

However, to improve transparency around decisions to employ flexibility, the risks included in the plan have been given a rating. This rating identifies those audits that must be delivered for the Chief Audit Executive opinion and others where there may be more flexibility.

The members of the committee asked questions. The questions asked and the responses may be found online on the [YouTube recording of the meeting](#).

Resolved:

That the 2021/22 Flexible Internal Audit and Counter Fraud Plan be approved in the form at appendix 1 to the report.

14. Audit Committee Effectiveness

The committee received report AGS/08/21 and appendices 1 and 2 from Paul Turner, Director, Legal and Assurance who informed members that the report was an update of the implementation of the effectiveness review undertaken in March 2020.

Paul Turner asked members to note that the table of the review's recommendations were all showing as 'green' other than the annual skills audit. He explained that the skills audit had proved to be difficult to implement at the same time as the other recommendations and he hoped that members may agree that it was too late to undertake it before the forthcoming County elections. It was also likely to be affected by subsequent changes to the membership of the committee.

Resolved:

1. To note the progress against the action plan at set out in appendix 2 to the report,
2. that the Skills and Knowledge Assessment should take place after the annual meeting of the Council in May 2021 and
3. to hold an AGS Members training workshop after the election to provide both induction for new members and refresher training for existing members.

15. LGA Model Code of Conduct

The committee received report AGS/09/21 and appendix from Paul Turner, Director, Legal and Assurance who reminded members that there had been a hope that all councils would be able to sign up to the proposed LGA Code of Conduct.

Paul Turner informed members of the committee that other Monitoring Officers from other councils in Essex were agreed that, specifically, the paragraphs relating to the Declarations of Interest were not workable and most councils were not proposing to adopt it unless their current code is worse.

He suggested that the situation should be kept under review and if the LGA Code were to be improved a further report could be brought to this committee seeking approval for a recommendation to be taken to Full Council for adoption.

The members of the committee asked questions. The questions asked and the responses may be found online on the [YouTube recording of the meeting](#).

Resolved:

That the Committee continues to monitor the evolving picture with respect to the LGA Model Code of Conduct but does not recommend adoption of the LGA code at this time.

16. Annual Review of Internal Audit Charter

The committee received report AGS/10/21 and appendix from Paula Clowes, Head of Assurance. Members were advised that it was a requirement of the Public Sector Internal Audit Standards that there be charter to outline the purpose and role of the Internal Audit service. The Charter was to be reviewed annually and the key changes were contained within the report.

Resolved:

That the updated Charter is adopted in the form presented at appendix 1 to the report.

17. Dates of Future Meetings

The members of the committee noted the meeting dates for the 2021-22 municipal year as set out below:

- previously agreed 7 June 2021 to be amended to 28 June 2021
- previously agreed 26 July 2021 to be cancelled
- 27 September 2021
- 15 November 2021
- 17 January 2022
- 21 March 2022

18. Work Programme

The committee received report AGS/11/20 presented by the Director, Legal and Assurance that detailed the planned ongoing programme of work.

Members were reminded that the work programme was subject to regular revisions and change.

Resolved

That the report be noted.

19. Date of the Next Meeting

The committee noted that the next scheduled meeting will be held on Monday 28 June 2021 at 10.30am at a venue yet to be determined or virtually via ZOOM (to be advised) and will be preceded by a private meeting for AGS members only.

20. Conclusion

The Chairman, Councillor Hedley, in conclusion,

- expressed his thanks to officers for all their hard work in the current difficult circumstances,
- thanked the external auditors for their forbearance and patience and reiterated his hope and expectation that they would be able to meet their deadlines,
- congratulated Mr Atta UI Haque for his recent appointment to the committee as an Independent Member and for his detailed and pertinent questions and
- expressed his appreciation to all the members of the committee, particularly Councillors Maddocks, Jackson and Turrell who were retiring from the Council and would be particularly missed.

In response, members of the Audit, Governance and Standards Committee congratulated Councillor Hedley on his chairmanship.

Chairman