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## **Minutes of the meeting of the Audit, Governance and Standards Committee, held in the Council Chamber, County Hall, Chelmsford on Monday, 27 September 2021**

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

### **Present:**

#### **Members:**

Councillor L Barber	
Councillor A Hedley	Chairman
Councillor M Hoy	
Councillor D King	
Councillor A McGurran	
Councillor A McQuiggan	
Councillor M Platt	
Councillor L Shaw	
Councillor C Siddall	
Mr Atta Ul Haque	Independent member appointed to the committee

#### **External Auditors:**

Mr David Eagles	BDO LLP
Mr Barry Pryke	BDO LLP

#### **ECC Officers:**

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

#### **Also present:**

Councillor S Barker

### **Welcome and Introduction**

Councillor 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:

1. The membership of the Audit, Governance and Standards Committee was as shown in the report.

2. No apologies had been received and
3. No declarations of interests were made.

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

## **2. Minutes and Matters Arising**

The minutes of the meeting held on Monday 28 June 2021 were approved as a correct record and there were no matters arising.

## **3. Essex Travellers Unit Limited Assurance Audit Update**

Presented by Paula Clowes, Head of Assurance, members of the committee received an oral update from Adrian Coggins, Head of Wellbeing and Community Health (who joined the meeting remotely) and Paul Ashworth, Place and Communities Lead Officer.

The main points made were that:

- The audit had arisen as there were identified high risks, but members were asked to note that the service had co-operated with the audit and actions arising would be closely monitored,
- the scope of the audit had been changed, at the request of the service, to look at the Traveller Sites owned and managed by the Council, as it had been suggested, this was where more challenges could be identified,
- the request had been for the audit to consider the best role of the Council in the management of the Traveller Sites, and any implications for ongoing investment of resources,
- there continue to be ongoing discussions with Districts who have a statutory duty relating to the provision of Gypsy and Traveller accommodation,
- over the summer there has been a programme of fixed wire electrical testing on facilities provided at the sites,
- testing for legionella, tree inspections, portable appliance testing, and health and safety inspections had also been undertaken,
- the level of residents' debt has risen, and there are new processes in place to address outstanding residents' debt together with assistance from finance and legal colleagues at the Council and
- work continues to be undertaken for the provision of improved health and education for residents' children.

The full oral update received, and the questions asked by members of the committee and the responses given by the officers may be found online on the [YouTube recording of the meeting](#).

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

The committee received a report (AGS/17/21 and appendices) from Paula Clowes, Head of Assurance. The report provided the members of the committee with the position as of 31 August 2021 regarding activity in relation to the 2021/22 Internal Audit and Counter Fraud Plan that had been approved by the Audit, Governance and Standards Committee in March 2021.

Members noted that the matters of particular note were that:

- no reports had received a 'No Assurance' rating during the period,
- four audits finalised since the June 2021 AGS Committee meeting had received a 'Limited Assurance' rating,
- as at 14 September 2021, four 'Major' recommendations were more than one month overdue and fifteen 'Moderate' recommendations were more than six months overdue compared to their target implementation dates and
- A full review of the 2021/2022 Internal Audit and Counter Fraud Plan had been conducted in September 2021 and no changes were required to be reported to, or approved by, 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:**

That the progress in audit and counter fraud activity be noted.

#### **5. Delay to Completion of the External Audit of the Council's 2020/2021 Statement of Accounts**

The committee received a report (AGS/18/21 and appendix) from Nicole Wood, Executive Director for Corporate Services, and presented by Christine Golding, Chief Accountant, with additional information and clarifications from Mr David Eagles and Mr Barry Pryke, External Auditors, BDO LLP.

Mr David Eagles explained the background to the delay to the external audit of the Council's accounts. He stressed that the delay had not been in any way caused by the Council, as the Council had delivered a good quality Statement of Accounts and supporting working papers on time and were cooperating fully with the external audit team. He maintained that the delay was caused by factors outside of the external auditors or the council's control. He asked members to note that BDO LLP anticipated being able to present their Audit Completion Reports for the Council's and the Essex Pension Fund's financial statements to the Committee on 15 November 2021.

In response to questions from members, Mr Eagles explained that:

- all audits undertaken by BDO LLP were adequately resourced at the outset, but that delays in some audits made it necessary to divert resources to those audits, thereby causing delays in their wider work programme,

- He did not anticipate needing to levy an additional audit fee beyond the proposed fees quoted in the Audit Plans for the year, and
- He did not anticipate that the audit would be delayed further.

The Chairman of the committee asked that he be advised immediately if the audit is further delayed.

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

**Resolved:**

The Committee noted the reasons for the delay to completion of the audit for 2020/21, as set out in the appended report.

**6. Assurance Summary**

The committee received report (AGS/19/21) from Paula Clowes, Head of Assurance and Christine Golding, Chief Accountant, that identified for members of the committee the sources of assurance that could be relied upon, pending completion by BDO LLP of their external audit of the Council and Essex Pension Fund Accounts for 2020/21.

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

**Resolved:**

The committee noted the sources of assurance listed in section four of the report.

**7. Audit Committee Effectiveness Review – Annual Progress Update**

The committee received report (AGS/20/21 and appendix) from Paul Turner, Director, Legal and Assurance that identified, following the AGS Effectiveness Review, where the skills and knowledge of the members of the committee may need to be improved and presented a Training and Development Plan.

It was noted that when training and development was delivered to the members of the committee it would be, where possible, by way of a remote meeting.

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

**Resolved:**

The committee approved the Training and Development Plan.

**8. Work Programme**

The committee received report (AGS/21/21) from Paul Turner, 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.

**9. Date of next meeting**

The committee noted that the next scheduled meeting will be held on Monday 15 November 2021 at 10:30am at County Hall, Chelmsford and would be preceded by a private meeting for members of the committee only.

**Chairman**