
Minutes of the meeting of the Audit, Governance and Standards Committee, held in the Council Chamber, County Hall, Chelmsford on Monday 21 March 2022

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

Present:

Members of the Committee:

Councillor A Hedley	Chairman
Councillor M Hoy	
Councillor D King	
Councillor A McGurran	
Councillor M Platt	
Councillor L Shaw	
Councillor C Siddall	
Mr Atta Ul-Haque	Independent Member appointed to the Committee
Councillor S Barker	

ECC Officers:

Paula Clowes	Head of Assurance
Christine Golding	Chief Accountant
Stephanie Mitchener	Director, Finance
Paul Turner	Director, Legal and Assurance (Monitoring Officer)
Justin Long	Senior Democratic Services Officer (Clerk to the meeting)
Michael Hayes	Democratic Services Assistant

Also present:

External Auditors:
Mr David Eagles BDO LLP
Mr Barry Pryke BDO LLP

Welcome and Introduction

Councillor Hedley, the Chairman of the Audit, Governance and Standards Committee, welcomed those in attendance.

Altered Order

In the interests of the efficient conduct of the business, items were considered in a different order from that set out in the agenda. These Minutes represent the order in which they were considered.

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. Apologies had been received from Councillors McQuiggan and McKenzie, and Councillor Barker was substituting for Councillor Barber.
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 31 January were approved as a correct record and there were no matters arising.

3. Internal Audit and Counter Fraud Progress Report

Paula Clowes, Head of Assurance, introduced the quarterly report and highlighted the following points:

- no 'no assurance' reports had been issued during the period;
- 1 'limited assurance' report had been issued (Disaster Recovery);
- 201 fraud referrals had been received and the work of the Counter Fraud Team had prevented the future loss of £80,356 (with £54,334 still in recovery);
- on the outstanding audit recommendations, there were no 'critical' recommendations outstanding, 19 'major' recommendations were outstanding, and 91 'moderate' recommendations were outstanding; and
- a future update would be provided on the reported misuse of funding claimed via the Locality Fund and the Essential Living Fund.

It was agreed that the Director Local Delivery (Children and Families) would be invited to the next meeting of the Committee to provide an update on the outstanding audit recommendation on 'Personal Budgets (Families) (Direct Payments)' as it was over a year since the target completion date.

4. Risk Management Strategy

Paula Clowes, Head of Assurance, introduced the report and updated members on the minor changes since the last strategy was last reviewed.

Resolved

The Risk Management Strategy 2022/23 be approved in the form appended to the report.

5. Approval of Annual Internal Audit and Counter Fraud Plan for 2022/23

Paula Clowes, Head of Assurance, introduced the report and outlined the process for developing the plan.

It was agreed that the South East Local Enterprise Partnership (SELEP) governance assessment (CS3) should include work on the role of members.

Resolved

That the 2022/23 Internal Audit and Counter Fraud Plan be approved in the form annexed to the report.

6. LGA Model Code of Conduct

Paul Turner, Director, Legal and Assurance and Monitoring Officer, introduced the report and outlined the proposed changes to the Code of Conduct.

Resolved:

That the Committee makes a recommendation to Council that Essex County Council should adopt the LGA Model Code of Conduct with effect from 1 June 2022.

7. Regulation of Investigatory Powers Act 2000: Review of Activity March 2000

Paul Turner, Director, Legal and Assurance, introduced the annual report and noted that no use of the powers had been made over the last year.

Resolved

That the Committee notes that no applications for directed surveillance or the use of a CHIS have been made by anyone at ECC since the last report in March 2021.

8. Internal Audit Charter

Paula Clowes, Head of Assurance, introduced the report and in response to questions clarified the role and independence of the Counter Fraud Team.

Resolved

That the revised Charter be adopted in the form presented in Appendix 1.

9. Closure of Accounts 2021/22

Christine Golding, Chief Accountant, introduced the report and the proposed timetable for the closure of the 2021/22 accounts.

At this point, representatives from external auditors BDO gave an update on the audit completion of the 2020/21 accounts and the national issue of auditing the

holding value of infrastructure assets (e.g. roads, bridges, and street furniture); an issue that was delaying the completion of its work.

Members expressed frustration over the latest delays, and it was suggested that the infrastructure issue should not be conflated with the reasons for previous delays.

Resolved

The Committee notes the current arrangements for closure of the Council's Accounts for the 2021/22 financial year, and the present uncertainties that may impact on our ability to publish the draft Accounts ahead of the statutory deadline to do so.

10. 2020/21 Audit Completion Report for Essex Pension Fund

The report was noted.

11. Draft 2020/21 Audit Completion Report for Essex County Council

The report was noted.

It was further noted that depending on the solution put forward by CIPFA LASAAC to the infrastructure issue discussed under Item 9, there could be a risk of a 'limitation of scope' qualification on the accounts.

12. Work Programme

The Work Programme was noted.

Chairman