

MINUTES

of the

AUDIT AND RISK COMMITTEE

held on 20 May 2020 at 7pm

Present:

Councillor N.M. Walsh (Chair)

Councillors D.J.R. Clark, P.H. Clark, N.A. Dudley, J.S. Lardge, J.M.C. Raven, M. Sismey and M.D. Watson

1. Apologies for Absence and Substitutions

Apologies for absence were received from Councillor Sampson. No substitutions were made.

2. Minutes

The minutes of the meeting held on 18 December 2019 were agreed as a correct record and signed by the Chair.

3. Declaration of Interests

All Members were reminded to declare any Disclosable Pecuniary interests or other registerable interests where appropriate in any items of business on the meeting's agenda. None were made.

4. Public Question Time

No questions were asked or statements made.

5. Announcements

No announcements were made.

6. Public Sector Audit Appointments (PSAA) Update

The Committee received a report which provided them with an update from PSAA on the issues faced during the 2018/19 audit of Local Authority accounts and related matters. It was noted that at its meeting in December 2019, the Committee asked for feedback from the Essex Finance Officers meeting when available.

The Committee heard that the report provided an update on various areas. It was also noted that the Council had responded to consultation on future fees, and that the Director of Finance had done this in consultation with the Chair, due to the dates falling between

meetings. The Committee heard that the Council had now received the final scale fee for 2020-21 from PSAA. It was noted that this was the same as previously but that there was scope for auditors to locally negotiate any increases if required. The Committee was informed that any increases would have to be signed off by themselves. The Committee was also reminded that due to pressures from Covid-19, there were now revised dates for the publication and audit of the 2019-20 accounts. It was noted that draft accounts needed to be published by 31st August and audited by 30th November.

In response to a question from the Committee, the Director of Finance stated that they would be talking with BDO at an early stage on any potential increases in fees.

RESOLVED that the report be noted.

(7pm to 7.15pm)

7. External Audit Annual Audit Letter

The Committee received a report on the Annual Audit Letter from BDO. It was noted that the letter summarised the key issues arising from the work they had carried out in respect of the year ended 31 March 2019. It was reported that the letter provided the Council with an unqualified audit opinion on the financial statements and value for money conclusion.

RESOLVED that the content of the Annual Audit Letter be noted.

(7.15pm to 7.21pm)

8. Audit Planning Report 2019/20 and Progress Update

The Committee received a report from BDO which set out the key matters for the 2019/20 Audit. The report covered various areas including, Scope and Materiality, Independence and Fees, Audit Risks and other matters. The report also updated members on progress so far with the 2019/20 Audit. It was noted that planning and interim visits had been completed early in 2020 which included updating the understanding of the Council as a whole and updating documents on financial systems and IT general controls. The Committee was informed that the impact of Covid-19 had led to the Government enacting legislation to push back the dates for submitting accounts and auditing them.

RESOLVED that the report be noted.

(7.22pm to 7.27pm)

9. Housing Benefit Subsidy Assurance Procedures 2018/19

The Committee received a report summarising the outcome of the agreed upon procedures in relation to the Council's 2018/19 housing benefit subsidy claim.

In response to a question from the Committee, it was noted that 40 initial cases were selected to test and it wasn't unusual to find errors initially. It was noted by BDO though that no particularly high error rates stood out.

The Committee noted that officers should be thanked for their excellent work on the year's subsidy claim.

RESOLVED that the report be noted.

(7.28pm to 7.34pm)

10. Internal Audit Plan – Covid-19 Response Phase

The Committee received a report updating them on the work being undertaken by the Internal Audit Team. It was noted that normally a report is provided every March, detailing the work to be undertaken in the following year, however due to Covid-19 this was no longer appropriate. The Committee heard that in response to Covid-19 the team's immediate priority was to work closely with risk management on potential issues and these were detailed in the report. The Committee also heard that a revised audit plan was being developed ready for the September meeting which would detail how the Audit plan would take shape later in the year. It was noted that this would still focus on key and emerging risks from Covid-19. The Committee heard that the audit opinion would be provided at the June meeting as usual and the team had been working effectively remotely.

RESOLVED that the report be noted.

(7.35pm to 7.42pm)

11. Internal Audit Charter 2020

The Committee considered a report which updated members on the Internal Audit Charter for 2020. The Committee heard that there had not been any material changes to the 2020 document.

RESOLVED that the report be noted.

(7.43pm to 7.45pm)

12. Risk Management Report

The Committee received a report updating them on Risk Management for Spring 2020. The report detailed the progress made in refreshing the risk management framework, the immediate priorities for 2020-21 and a summary of the revised principal risks taking into account Covid-19. It was noted that the immediate priorities were based on Covid-19 and working with other teams to ensure risks were minimised. The Committee also heard that a new integrated financial system was being implemented that would include areas such as risk and would help to improve information and reporting.

In response to questions from members it was noted that;

- The project panel needed to decide what level of access the Committee would have to the new risk software.
- There was a very marginal increase in costs needed to move to the new system and this was already budgeted for.
- The risk levels for areas such as Beaulieu station and the North East bypass would be decided by the officer leading the delivery and any specific questions would need to be answered by them.

RESOLVED that the report be noted.

(7.46pm to 7.58pm)

13. Accounting Policies for the 2019/20 Statement of Accounts

The Committee received a report updating them on the accounting policies set to be used in the preparation of the 2019/20 Statement of Accounts.

RESOLVED that the accounting policies to be used in the preparation of the accounts be approved.

(7.59pm to 8pm)

14. Audit and Risk Committee Work Programme

The Committee considered a report regarding training for its members and the updated proposed rolling programme of work. The Committee noted the extra meeting in November 2020, required to finalise the accounts.

RESOLVED that the proposed work programme be agreed.

(8.01pm to 8.02pm)

15. Urgent Business

There were no matters of urgent business brought before the Committee.

The meeting closed at 8.02pm.

Chair