

**MINUTES OF THE
AUDIT AND RISK COMMITTEE**
held on 15 December 2021 at 7pm

Present:

Councillor N.M. Walsh (Chair)
Councillor M. Sismey (Vice Chair)

Councillors D.J.R. Clark, N.A. Dudley, J. Galley, E.J. Sampson, A.B. Sosin and A.
Thorpe-Apps

1. Attendance and Apologies for Absence

Apologies for absence were received from Councillor Raven.

2. Minutes

The minutes of the meeting on 16 June 2021 were confirmed as a correct record.

3. Declarations of Interests

All Members were reminded to disclose any interests in items of business on the meeting's agenda and that they should do so at this point on the agenda or as soon as they became aware of the interest. They were also obliged to notify the Monitoring Officer of the interest within 28 days of the meeting, if they had not been previously notified.

4. Public Questions

There were no questions or statements from members of the public.

5. Announcements

No announcements were made.

6. External Audit Verbal Update

The Committee heard that the external auditors were unable to attend the meeting due to staff sickness, therefore the S151 officer provided an update from the Council's

perspective. It was noted that the audit had a difficult start due to the lead auditor resigning, so did not get fully underway until October. The Committee heard however that the audit was now fully resourced and from the officer viewpoint was a vast improvement upon the issues in the previous year. The Committee noted that it was due to restart in January 2022, with the opinion ready for the March 2022 meeting.

RESOLVED that the update be noted.

(7.02pm to 7.05pm)

7. Audit Planning Report (BDO)

The S151 officer also provided the Council's perspective on the report provided by BDO, as they were unable to attend. The Committee noted that the report covered perceived risks by BDO, along with their planned approach to elements such as financial planning and use of resources.

RESOLVED that the report be noted.

(7.06pm to 7.08pm)

8. Appointment of External Auditors

The Committee received a report asking them to consider and make a recommendation to Full Council, in respect of appointing External Auditors from 1st April 2023. The Committee noted that the current arrangement utilised the PSAA (Public Sector Audit Appointments) who undertake the procurement of services on behalf of local authorities. The Committee was informed that this would continue to be the best value approach due to their bulk buying power.

The Committee agreed that it was the best approach and should continue.

RECOMMENDED to Council, the use of PSAA to appoint the Council's External Auditor from 1st April 2023 to April 2028.

(7.09pm to 7.13pm)

9. Annual Report – Corporate Health and Safety

The Committee received a report updating them on Health and Safety in 2020/21. It was noted that this report used to be considered by Overview and Scrutiny Committee, but would now come annually to the Audit and Risk Committee. It was noted that the team were responsible for fulfilling the legal Health and Safety responsibilities to employees, service users and members. The Committee heard that the team worked closely with a wide range of services, and used external advice as well as a forum with senior managers to develop a good health and safety culture across the organisation.

The Committee also heard that service managers now worked with HR to collate and manage training. The Committee noted that the report also detailed accident rates, which were lower than in previous years, there was no identifiable reason for this however. It was also noted that serious incidents, under RIDDOR, had been reduced to 5 from 11 in the previous year. The Committee also heard that a recent audit had been undertaken by the internal audit team, and recommendations were being taken onward. The Committee noted that officers were happy that the safety management measures in place continued to be effective.

In response to a question from the Committee, it was noted that Covid was excluded from RIDDOR reporting.

RESOLVED that the report be noted.

(7.14pm to 7.23pm)

10. Internal Audit Interim Report 2021/22

The Committee received a report which summarised the work that Internal Audit had undertaken from April to November 2021. Members were informed that Internal Audit were on track to complete the audit plan as agreed by the end of March 2022. The Committee was informed that the report detailed a summary and highlighted progress against the audit plan so far. The Committee noted that there were no high or critical emerging risks included.

It was noted that the report appeared to detail a large amount of work still to be undertaken by the end of March 2022. Officers stated however that the position was often similar at this stage and would continue to be closely monitored, alongside being flexible and responsive to any emerging issues. It was noted that if any other issues emerged, that individual audits could be lessened in scope and focused on in the following year instead. The Committee also heard that, services were approaching Internal Audit directly for advice, it was noted that this was a good indicator of positive engagement across the Council.

RESOLVED that the report be noted.

(7.30pm to 7.35pm)

11. Risk Management Report – Autumn/Winter 2021

The Committee received a report updating them on Risk Management, which outlined progress toward the immediate priorities for 2021-22 identified in the May 2021 report. The report also provided a summary of the Council's Principal Risks taking into account the Covid-19 pandemic. It was noted that 4 priorities had been agreed in June 2021 by Management Team, Corporate Risk, Compliance, Strategic Planning and Performance and TechOne training and awareness. The Committee heard that compliance tracking was now utilising the TechOne system, leading to a much more modern system, with a corporate wide approach. It was noted that this meant risks were displayed in live dashboards rather than PDF's, therefore being much more user friendly.

The Committee also heard that there had been two risk ratings increased, for homelessness and the Chelmer Waterside project. It was also noted that some budget risks had been reduced, due to the balancing of the budget alongside Capital and Treasury Management. The Committee was also informed that the 'Independent Control Advice' risk had been removed, as no further limited assurance internal audit reports had been issued.

RESOLVED that the report be noted.

(7.36pm to 7.41pm)

12. Counter Fraud and Investigations Report 2021

The Committee received a report detailing the existing counter fraud arrangements, their effectiveness and the priorities set for 2022. The Committee were informed that the single staff member had been on sick leave but would be returning in the new year. It was noted that the nature of the work was very specific, so it had not been possible to recruit at short notice. The Committee heard that work had been undertaken by other members of the finance team along with some external assistance, including from Essex Trading Standards. It was also noted that quite a significant amount of the work normally undertaken was on behalf of other authorities, so this work had been passed back to them. The Committee was also informed that officers had developed a Fraud Risk and Control Assessment, which breaks down overall fraud risk into 21 areas and provides a risk rating for each area. It was noted that a summary of the results of this work would be available at the meeting in March 2022.

RESOLVED that the report be noted.

(7.41pm to 7.52pm)

13. Annual Report of Procurement and Sourcing Activities

The Committee received a report summarising the work undertaken by the Procurement team. The report detailed all formal procurement and sourcing activities alongside any cross functional working that had taken place. The report also informed members of new process, policies and practices introduced in the last 12 months and the planned activities for the next 12 months, along with the findings to date on Social value feedback.

The Committee heard that an agile approach had been undertaken, with the team being very busy due to the significant capital programme. It was noted that work was now also being undertaken for Uttlesford, provided extra experience for staff as well as revenue income. The Committee also heard that the 10% weighting of the social value policy had led to an increase in work being provided to local businesses. It was also noted by the Committee, that remote working had led to productivity increases for the team. Officers informed the Committee, that it was now much easier and more efficient to assess bids remotely, without having to meet all bidders face to face for example. The Committee also heard that new modernised systems had made data

more accessible and soon digital signatures would be utilised, to further speed up processes.

RESOLVED that the report be noted.

(7.53pm to 8.03pm)

14. Modern Slavery Report

The Committee received a report providing them with the first annual update on the Council's work in the reduction and awareness of Modern Slavery. It was noted that work had been taking place across the organisation after the commitments made in the Modern Slavery Charter and the action plan update from it. The Committee heard that from a safeguarding perspective, it was the Community Safety team who were responsible, for raising awareness in the organisation, and managing any referrals made to them. It was noted that the report detailed an example of positive work in the area, which was a good indicator that processes were imbedded and working.

The Committee heard that the majority of the action plan had been completed with two still to be completed. It was also noted by the Committee that, the terms and conditions for supply contracts had been updated.

The Committee thanked officers for their hard work in this area, and agreed that significant progress had been made within the last year.

RESOLVED that the report be noted.

(7.24pm to 7.30pm)

15. Audit and Risk Committee Work Programme

The Committee received a report updating them on the rolling programme of work.

RESOLVED that the programme be agreed.

(8.04pm to 8.05pm)

16. Urgent Business

There was no urgent business for the meeting.

The meeting closed at 8.05pm
Chair