

Audit Committee – 28 July 2022

Minutes of the meeting of the Audit Committee held on **28 July 2022** when there were present:-

Chairman: Cllr Mrs L A Butcher
Vice-Chairman: Cllr G W Myers

Cllr M R Carter

Cllr Mrs T L Carter

Cllr Mrs E P Gadsdon

Cllr J L Lawmon

Cllr J R F Mason

Cllr R Milne

Cllr Mrs L Shaw

Cllr Mrs V A Wilson

OFFICERS PRESENT

N Lucas - Assistant Director, Resources
C Cox - Finance Manager
S Worthington - Principal Democratic & Corporate Services Officer
H Lock - Democratic Services Officer

ALSO PRESENT

D Hanson - EY
M Porter - Basildon Borough Council
P Mills - Basildon Borough Council

153 APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr A G Cross

154 SUBSTITUTE MEMBERS

Cllr D W Sharp

155 NON-MEMBERS ATTENDING

Cllr Mrs C M Mason

156 MINUTES

The Minutes of the meeting held on 15 March 2022 were approved as a correct record and signed by the Chairman.

157 ANNUAL AUDIT REPORT 2020/21

The Committee considered the report of the Assistant Director, Resources detailing the key issues arising from external audit work. EY's Partner introduced the findings of the EY 2020/122 Annual Audit Report for the Council.

In response to a Member request for clarification relating to the timescale for

projected budget gap for the Council, officers confirmed that this related to the period up to 2025/26.

Resolved

That the Annual Audit Report for the year ended 31 March 2021 be noted. (ADR)

158 EXTERNAL AUDITOR REPORT: CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2020/21

The Committee considered the report of the Assistant Director, Resources providing details of the Certification of Claims and Returns Annual Report 2020/21.

Officers clarified, in response to a Member question on audit fees, that the external audit work on certification of claims during 2020/21 was completed by separate auditors, BDO, not EY, and that a robust procurement exercise had been undertaken to appoint them.

Resolved

That the Certification of Claims and Returns Annual Report 2020/21 be noted. (ADR)

159 INTERNAL AUDIT ANNUAL REPORT 2021/22

The Committee considered the report of the Assistant Director, Resources providing Members with the Chief Audit Executive's annual opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control during 2021/22.

It was noted that since the last Committee, Basildon Borough Council now provides the full internal audit service for the Council; the Council's Principal Auditor had retired and the remaining Internal Audit officer had transferred to the Basildon Internal Audit team.

Resolved

That the Chief Audit Executive's opinion on the overall adequacy and effectiveness of the Council systems of governance, risk management and internal control be noted. (ADR)

160 DRAFT ANNUAL GOVERNANCE STATEMENT FOR 2021/22

The Committee considered the report of the Assistant Director, Resources providing details of the draft Annual Governance Statement (AGS) for Members' endorsement.

Resolved

- (1) That the draft Annual Governance Statement for 2021/22 be noted.
- (2) That it be noted that the Annual Governance Statement for 2021/22 will be reviewed and updated at the time the draft accounts are audited.
- (3) That authority be delegated to the Chairman of Audit Committee to endorse non significant changes to the AGS following review by the Council's external auditors, and then referred to the Joint Chief Executive and Leader of the Council for signature.
- (4) That any significant changes to the AGS be brought back to Audit Committee for review, prior to sign-off by the Joint Chief Executive and Leader. (ADR)

(Note: Members voted unanimously in favour of (3) and (4) above).

161 REVIEW OF THE COUNCIL'S RISK REGISTER 2022/23

The Committee considered the report of the Assistant Director, Resources providing a six-month review of the Council's risk register (CRR) for 2022/23.

In response to a Member question around reducing the residual risk for risks 3(b) and 9 relating to health and safety and balanced budget respectively, officers advised that the impact of these two particular areas would always be high, due to the potential impact if they were to occur. There was, however, good practice across most of the Council in terms of 3(b) and the Health & Safety Officer was actively working with specific areas of the Council to ensure that there was consistency across all areas. In the case of risk 9 there were a number of factors, such as inflation, the Government funding regime, etc that were outside the Council's control.

Responding to a Member query around opportunities for apprenticeships and training roles within the Council, officers confirmed that the Council was willing to consider any such options, depending on the needs of individual teams and available candidates for vacancies. Finance, for example, had supported individuals to gain their accountancy qualifications and there were a number of apprentice positions at the Council.

In response to a further question relating to risk 9 and risk around the Council's investments, officers confirmed that the Council was a low risk Authority in terms of its investment approach with a low risk treasury management strategy.

Officers advised, in response to a Member question on the omission of adequacy of insurance cover in the CRR, that the service level risk registers

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covered insurance; it was not significant enough to include within the strategic corporate risk register.

Responding to a Member question as to whether the Overview & Scrutiny Committee might be able to include scrutiny of the CRR as part of its work programme, officers emphasised that the Audit Committee was tasked with oversight of the Council's risk management arrangements and it would therefore be appropriate for this Committee to look at any specific areas of risk in more detail if it deemed this appropriate. It was also noted that the Overview & Scrutiny was, as part of its work plan, receiving regular updates on the #OneTeam Transformation Programme, which was a risk area within the CRR.

It was noted that Basildon Borough Council had run training courses focused on the role of Members of the Audit Committee; officers would seek to include this training for RDC Members for the year ahead.

Members extended their thanks to the Finance officers, Basildon Borough Council officers and external auditors for their comprehensive reports.

Resolved

That the content of the corporate risk register for 2022/23 be noted. (ADR)

The meeting closed at 8.09 pm.

Chairman

Date

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