

## Audit Committee – 15 December 2021

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Minutes of the meeting of the **Audit Committee** held on **15 December 2021** when there were present:-

Chairman: Cllr Mrs L A Butcher

Cllr R R Dray  
Cllr R Milne

Cllr G W Myers

### **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllrs Mrs T L Carter, Mrs E P Gadsdon, J N Gooding, T D Knight, Mrs L Shaw and P J Shaw

### **SUBSTITUTE MEMBERS**

Cllr Mrs C M Mason	- for Cllr Mrs T L Carter
Cllr Mrs J E McPherson	- for Cllr Mrs E P Gadsdon
Cllr A L Williams	- for Cllr J N Gooding
Cllr M Hoy	- for Cllr T D Knight
Cllr D S Efte	- for Cllr P J Shaw

### **NON-MEMBERS ATTENDING**

Cllr S P Smith  
Cllr S E Wootton

### **OFFICERS PRESENT**

N Lucas	- Assistant Director, Resources
C Cox	- Finance Manager
M Porter	- Chief Audit Executive
J Kevany	- Principal Auditor
S Worthington	- Principal Democratic and Corporate Services Officer
K Hines	- Democratic Services Officer

### **ALSO PRESENT**

D Hanson	- Associate Partner, EY
G Hussain	- Audit Manager, EY

### **215 MINUTES**

The Minutes of the meeting held on 28 September 2021 were approved as a correct record by the Chairman and would be signed in due course.

### **216 FINANCIAL STATEMENTS 2020/2021**

The Committee considered the report of the Assistant Director, Resources providing Members with EY's preliminary audit conclusion in relation to the audit

of Rochford District Council's financial statements for 2020/21.

A Member noted that the findings of the report were a positive reflection of the work of the Finance team. Thanks were extended to them for their hard work and successful audit during difficult times.

Another Member raised a question relation to training provision to enable staff to identify fraud risk effectively. In response, the Assistant Director, Resources highlighted the training undertaken by relevant officers. It was also emphasised that risk training was mandatory for all Council officers.

A Member made particular reference to national delays in external audits of local authority accounts and queried what this was likely to be like for future audits in terms of the meeting of statutory deadlines. EY emphasised that this was a statutory service that could not be rushed; it had to be done correctly and thoroughly. EY recognised that there had been challenges both within the sector and nationally and schedules had been impacted by ongoing pressures from previous years' delays and staffing pressures due to the current climate. EY accepted that they had not been able to complete work within preferred timescales; however, were hopeful that by the end of December 2023 things would be more normalised across the board.

### **Resolved**

- (1) That the contents of the draft Audit Results Report be noted.
- (2) That the Financial Statements be approved in principle.
- (3) That final sign-off of the Financial Statements be delegated to the Chairman of the Audit Committee, subject to no significant audit changes being identified post the Committee meeting.
- (4) That the movement in general fund balances be noted. (ADR)

(7 Members voted in favour, 0 against and 0 abstained.)

### **217 AUDIT PROGRESS REPORT 2021/2022**

The Committee considered the report of the Assistant Director, Resources providing an update on the work of the Internal Audit team, in terms of progress made against the annual audit plan and action taken by service departments in implementing audit recommendations.

### **Resolved**

- (1) That the update on delivering the 2021/22 Audit Plan be noted.
- (2) That the conclusions and results from completed audit engagements in Appendices 2 and 3 be noted.

- (3) That the updated status of audit recommendations in Appendix 4 be noted. (ADR)

### 218 REVIEW OF THE COUNCIL'S RISK REGISTER 2021/2022

The Committee considered the report of the Assistant Director, Resources presenting a six-month review of the Council's Risk Register (CRR) for 2021/22 for Members' consideration.

A Member sought clarity on the risk register, as they found it subjective and queried if findings could be reported in a more numerical way in an attempt to make the report more objective. They also observed that there were three areas of high risk and queried what could lower the risk level. A further point was made that there were no low-risk areas detailed in the report. In response Members were referred to the risk register matrix. The Assistant Director agreed that there was an element of subjectivity to the report, but advised that the guidelines attempt to give numerical weighting to each risk to help identify where each risk should score. Risks that remain high are monitored and steps are taken to limit risks occurring, as much as possible. Not all risks could be scored lower due to the strategic and corporate nature of them. She further emphasised that if a risk was low then it was unlikely to warrant inclusion on the risk register.

Another Member queried item 5 on page 8.11 of the report and asked whether insurance might be considered to minimise some risk levels in relation to cyber security. The Assistant Director advised that insurance had been previously considered for cyber security, however; there were mixed opinions on the adequacy of cover insurance might provide for such risks. Some risk was reputational in nature, which was not covered by insurance. The Council's insurance brokers didn't recommend that insurance should be taken at the time as its value for money was questionable. This would be revisited in future; however, it was possible that any purchase of insurance was likely to have a limited impact on the risk register.

In response to interest from one Member in further information and training on risk assessment the Assistant Director confirmed that if there was sufficient interest appropriate training could be added to the Member training programme in future.

#### **Resolved**

That the content of the Corporate Risk Register for 2021/2022 be noted. (ADR)

The meeting closed at 8.20 pm.

Chairman .....

Date .....

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