

Audit Committee – 16 March 2021

Minutes of the meeting of the **Audit Committee** held on **16 March 2021** when there were present:-

Chairman: Cllr Mrs L A Butcher
Vice-Chairman: Cllr D Merrick

Cllr Mrs T L Carter
Cllr M Hoy
Cllr G J Ioannou
Cllr M J Lucas-Gill
Cllr R Milne

Cllr Mrs L Shaw
Cllr P J Shaw
Cllr D J Sperring

VISITING MEMBER

Cllr D S Efde and Cllr A L Williams

SUBSTITUTES

Cllr C M Stanley - for Cllr J E Newport

OFFICERS PRESENT

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

ALSO PRESENT

D Hanson - EY (External auditors)
G Hussain - EY (External auditors)

45 MINUTES

The Minutes of the meeting held on 10 November 2020 were approved as a correct record and would be signed by the Chairman in due course. It was noted that a report on the Redmond Review recommendations would be brought to a future meeting.

46 EXTERNAL AUDIT PLAN 2020/21 ACCOUNTS

It was agreed by Members to bring this item forward on the agenda.

The Committee considered the report of the Assistant Director, Resources presenting the Council's external auditor's (EY) indicative Annual Audit Plan covering the audit of the 2020/21 Financial Statements.

Officers confirmed a Member's assumption that external valuers are appointed by the Council. EY have their own valuation team to verify the methodology for more complex assets.

In response to a Member question about the process of auditing the Council's distribution of business grants, EY explained that the accounting for these grants will be covered within the audit, but it would not be within their remit to assess the appropriateness of the grants to businesses. The Assistant Director, Resources explained there is a high level of scrutiny on these grants from central government, and officers responsible for internal audit added they have been checking payments.

The Assistant Director, Resources drew Members' attention to changes in reporting deadlines for the publication of the 2020/21 accounts and audit.

Resolved

That the Annual Audit Plan and Addendum for 2020/21 be noted. (ADR)

47 AUDIT PROGRESS REPORT 2020/21

The Committee considered the report of the Assistant Director, Resources providing an update on the work of the Internal Audit Team.

A Member drew attention to page 6.14 of the report, which states 10% of staff responded to an email phishing exercise and asked if this is a concern. Officers responded that this is a typical response level, but that it is taken seriously and will be addressed through staff training and education.

In response to a Member question about the completion date for reports, officers answered that key audit work will be completed in time to be included in the Annual Audit Opinion Report.

A Member asked about the compatibility of IT equipment and how this can assist with joint working. Officers responded that new IT is being delivered to Basildon Borough Council and this will allow them to offer support to the work of Rochford District Council.

Resolved

- (1) That the update on delivering the 2020/21 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)

48 AUDIT PLAN AND CHARTER 2021/22

The Committee considered the report of the Assistant Director, Resources presenting the proposed 2021/22 Audit Plan and Charter.

In response to a Member expressing concerns about the limits of auditing activity due to staffing issues, officers explained this is not a significant concern as high-risk areas get priority coverage, sufficient to enable an Audit Opinion. Other lower risk areas that will not cause financial loss or reputational damage and could be assessed internally by service areas to find improvements.

In response to a Member question regarding the audit of changes to health and safety brought about by Covid-19, specifically in relation to staff working from home, officers identified this as a possible area of focus for next year. Concerns were noted by officers.

Resolved

That the proposed Audit Plan and Charter for 2021/22 be approved. (ADR)

(9 voted in favour of the motion, 0 against, 0 abstained.)

The meeting closed at 8.30pm.

Chairman

Date

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