

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE,
HELD ON THURSDAY, 30TH MARCH, 2023 AT 10.30 AM
IN THE COMMITTEE ROOM - TOWN HALL, STATION ROAD, CLACTON-ON-SEA,
CO15 1SE**

Present:	Councillors Alexander (Vice-Chairman), Fairley, C Guglielmi and Miles
In Attendance:	Damian Williams (Corporate Director (Operations and Delivery)), Richard Barrett (Assistant Director (Finance and IT) & Section 151 Officer), Craig Clawson (Internal Audit Manager), Karen Townshend (Executive Projects Manager (Governance)) and Keith Durran (Committee Services Officer)
Also in Attendance:	Tharshiha Vosper of BDO LLP (the Council's External Auditors)

27. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Apologies were received from Councillors Coley (with Councillor C Guglielmi substituting) and Councillor Steady (with no substitution).

Councillor Alexander (as the Committees Vice-Chairman) chaired the meeting.

28. MINUTES OF THE LAST MEETING

The Minutes of the last meeting of the Committee held on Thursday 26 January 2023 were approved as a correct record.

29. DECLARATIONS OF INTEREST

There were no declarations of interest made on this occasion.

30. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 38

No Questions on Notice pursuant to the provisions of Council Procedure Rule 38 had been submitted on this occasion.

31. UPDATE FROM THE COUNCILS EXTERNAL AUDITORS

Tharshiha Vosper, on behalf the Council's external Auditors, introduced their updated Audit Results Report for 2020/21 and highlighted a number of key issues included in that report that remained subject to discussion with Officers. The report also set out an updated position against their earlier report considered by the Committee in December 2022. It also highlighted a number of outstanding pieces of work that they needed to finalise in order to enable them to provide their overall opinion on the Council's Accounts and Annual Governance Statement.

The Committee noted the contents of the foregoing update.

32. REPORT OF THE INTERNAL AUDIT MANAGER - A.1 - REPORT ON INTERNAL AUDIT

The Committee had before it a report that informed them that a total of four audits had been completed since the previous update in January 2023. However, at the time of writing, the overall assurance opinion on two of them was still being negotiated. Nine audits were still in fieldwork, four of which were expected to be completed before the Audit Committee next met, for which a verbal update was provided.

Members heard that four audits had been deferred to the 2023/24 Internal Audit Plan. Two of which were allocated to the Internal Audit Manager and competing priorities had limited his capacity to complete in 2022/23. A further two audits had been delayed due to service changes and capacity issues. Based on the audits completed to date and those yet to be completed, the Internal Audit Manager was on course to provide an unqualified annual assurance opinion if no further significant issues were identified prior to the June 2023 Audit Committee.

The Members also heard that a 2023/24 Audit Plan had been developed using a risk-based approach, taking account of the Council's Corporate Objectives, Corporate Risks and Emerging Risks. The plan had been collated based on the information gained from liaising with Directors, Heads of Service and departments in order to target areas that might benefit from an independent review of processes and procedures to determine potential efficiency gains, improved technology / software requirements or if the function had not been audited for a substantial period of time due to it being considered of lower risk historically.

It was reported to the Committee that the establishment for the Internal Audit function was currently four full time equivalents (fte). A recent restructure meant that the Audit team had four full time members of staff with the part time Audit Technician being changed to full time. That post was yet to be advertised and appointed to. The level and range of coverage was considered sufficient for the Internal Audit Manager to be able to provide an annual opinion on the Council's assurance framework.

The Corporate Director (Operations and Delivery) then gave an update to the Committee in which he explained that the Council was working with a new piece of software called One Serve, that would optimise how the Council managed its housing repairs and at that time of the meeting there was a lot of data mapping going on in the background. The current system in place was called Northgate and there would be a solution for the two systems to share data by April 2023 with the expectation of going live with One Serve in May 2023.

After a detailed discussion it was **RESOLVED** that:

- (a) the periodic update and the Internal Audit Plan 2022/23 be approved; and
- (b) the existing arrangements for updating the plan during the year, where necessary to reflect changing Authority activity and operational needs and to provide flexibility of service delivery, be continued, with significant amendments reported to this Committee as part of the periodic Internal Audit reporting arrangements.

33. REPORT OF THE ASSISTANT DIRECTOR (FINANCE & IT) - A.2 - TABLE OF OUTSTANDING ISSUES

The Committee heard that the Table of Outstanding Issues had been reviewed and updated since it had last been considered by the Committee in January 2023.

There were currently two main elements to this report as follows:

- 1) Updates against general items raised by the Committee; and
- 2) Updates against the 2021/22 and 2022/23 Annual Governance Statement Action Plan.

It was reported to Members that in terms of item 1) above, there were no significant issues to raise, with actions remaining in progress or further details set out in the report. In terms of item 2), this set out the latest Annual Governance Statement agreed by the Leader of the Council and the Chief Executive at the end of July 2022, and included any outstanding actions from the previous statement along with several new items identified. Activity would remain in progress against the various items, which would be reported to Members as part of this report going forward.

Members were aware that the Statement of Accounts 2020/21 remained subject to the conclusion of the work of the External Auditor.

Members also heard that this Authority had not conducted any RIPA activity in the last quarter and that it was rare that it would be required to do so.

Redmond Review

The latest available update was before Members. As further progress was announced by the Government, updates would be provided to future meetings of this Committee, which would hopefully set out the necessary practical steps to implement the recommendations made as part of this review.

After a brief discussion it was **RESOLVED** that the Committee notes the progress against the actions set out in Appendices A and B to report A.2.

34. REPORT OF THE ASSISTANT DIRECTOR (FINANCE & IT) - A.3 - A.3 - AUDIT COMMITTEE WORK PROGRAMME 2023/24

The Committee looked at the proposed work programme, covering the period April 2023 to March 2024, which continued to reflect the significant element of regulatory / statutory activity required, along with other associated work, which fell within the responsibilities of the Audit Committee.

After a short discussion the Committee **RESOLVED** that the Work Programme for 2023/24 be approved.

35. EXCLUSION OF PRESS AND PUBLIC

It was moved, seconded and :-

RESOLVED - That under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during the consideration of Agenda Item 10 on

the grounds that it involves the likely disclosure of exempt information as defined in paragraph 7 of Part 1 of Schedule 12A, as amended, of the Act.

36. REPORT OF THE ASSISTANT DIRECTOR (FINANCE & IT) - B.1 - RISK BASED VERIFICATION POLICY

It was moved, seconded, and **RESOLVED** that the Risk Based Verification Policy, as set out in the Appendix to report B.1, be approved.

The meeting was declared closed at 12.10 pm

Chairman