

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE,  
HELD ON THURSDAY, 15TH DECEMBER, 2022 AT 10.30 AM  
IN THE COMMITTEE ROOM - TOWN HALL, STATION ROAD, CLACTON-ON-SEA,  
CO15 1SE**

<b>Present:</b>	Councillors Coley (Chairman), Alexander (Vice-Chairman), Fairley and Steady
<b>In Attendance:</b>	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)
<b>Also in Attendance via MS Teams:</b>	Aphrodite Lefevre and Tharshiha Vosper of BDO LLP (the Council's External Auditors)

**15. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

An apology for absence was received from Councillor Miles (with no substitution).

**16. MINUTES OF THE LAST MEETING**

The Minutes of the last meeting of the Committee held on Thursday 29 September 2022 were approved as a correct record and were signed by the Chairman.

**17. DECLARATIONS OF INTEREST**

There were no declarations of interest made on this occasion.

**18. 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.

**19. REPORT OF THE ASSISTANT DIRECTOR, FINANCE & IT - A.1 - UPDATE ON OUR EXTERNAL AUDITORS**

The Committee had before it a progress report from the Council's External Auditors, which set out the work that they had completed on the areas of significant risk and the results of that work. The results were still going through a quality and review process but what was very positive to report was that the Auditors had not identified any errors or significant concerns or any control weaknesses that they needed to bring to the Council's attention.

Aphrodite Lefevre and Tharshiha Vosper of BDO LLP (the Council's External Auditors) talked the Committee through their report.

Members heard that the report included:

*"an overview of our work and it confirms a number of items on the consistency of the narrative report which includes the governance statement with the financial statements and we haven't identified any significant accounting policy changes",*

and that,

*“we have confirmed that to date we haven't identified any confirmed misstatements that we need to bring to your attention”*

Regarding risk the Committee heard that:

*“our risk assessment is an ongoing process throughout the audit however just to confirm we haven't raised any new significant risks other than the ones that we've reported within our planning report”*

The Committee also heard that:

*“Our work on investment properties is complete however some of the other work around land and buildings ~~and the work~~ is still in progress namely it's around the verification”.*

In relation to fraud, it was reported that:

*“we haven't identified any instances of suspected fraud or confirmed fraud, the same with laws and regulations we haven't identified any instances of non-compliance with laws and regulations and then in respect to related parties from the work that we've undertaken whilst we've raised one internal control weakness we haven't identified any significant issues”,*

and also in relation to the pension liability it was said that:

*“in summary we didn't find any issues when we assess the competency of the management expert and we also agreed all of the disclosures included within the financial statements to the report that was provided by the actuary. The assumptions on which the Council has based its disclosure are consistent with those used by the actuary and then we have also checked what assumptions the Council actually has used and made sure that they are in line with other actuaries and other kind of market data and confirmed that these are all within acceptable ranges and are appropriate”.*

The Committee questioned an issue on page 16 of the report regarding *“undisclosed directorships”* and asked for more context on both.

The Auditors responded that in respect of the undisclosed directorships that it this was still in the very early stages of investigation and that they still had to check if those directorships belonged to Members or ~~just~~ other people with the same name.

The Committee pointed out that that these were *“quite explosive comments”* to include within a report without any confirmation.

The Auditors confirmed that once they had finished their investigations, they would edit the report appropriately.

It was reported to Members that the Auditors had now increased their staffing on this particular Audit in order to complete it in January 2023.

The meeting was declared closed at 10.58 am

**Chairman**