

**MINUTES OF THE
AUDIT AND RISK COMMITTEE**
held on 17 September 2025 at 7pm

Present:

Councillor N. Walsh (Chair)

Councillors, G. Bonnett, H. Clark, N. Dudley, S. Rajesh, M. Sismey and A. Sosin

Independent Persons –
Mr C Groves
Ms J Hoeckx

1. Apologies for Absence and Substitutions

No apologies for absence were received.

2. Minutes

The minutes of the meeting on 11 June 2025 were confirmed as a correct record.

3. Declarations of Interests

All Members were reminded to disclose any interests in items of business on the meeting's agenda and that they should do so at this point on the agenda or as soon as they became aware of the interest. They were also obliged to notify the Monitoring Officer of the interest within 28 days of the meeting if they had not been previously notified. None were made.

4. Public Questions

There were no questions or statements from members of the public.

5. Announcements

No announcements were made.

6. External Audit Update

The Committee received an update from the Accountancy Services Manager updating Members on progress with prior year audits. The 2023/24 audit though a disclaimed opinion by EY has now been fully signed off. EY have requested an additional £62k in fees above the standard scale fees set by the PSAA (regulatory body). The extra costs are now in dispute and PSAA will determine if any increase is allowed at some point in the next few months. Audits for the years 2020-21, 2021-22, 2022-23 where

disclaimed by BDO and fees payable some £47k per year where determined by the PSAA.

The current 2024/25 audit; Ernst & Young (EY) had completed the initial sample testing in all areas except debtors and creditors. This area was a difficulty in 2023/24 audit and officers have been in contract with EY. As yet, it has not been determined what the issues are and impact on the audit timetable. Officers had prior to this year's audit, sought by working with EY to resolve this area of difficulty. The main body of the audit was scheduled to take place between September and November, with the Value for Money report expected in November and the final audit report due by the end of January.

It was shared that the clearing of historic backlog was still considered a priority by Government. New regulatory guidance suggested that all councils' audits should be up to date by the end of the 2026/27 accounting year. The s151 officer of the Council does not believe this is the most likely outcome given there has not yet been a shared plan to clear the backlog from EY, nor sufficient changes to audit practices or accounting requirements. EY have offered to provide an update to committee on their plans. Despite these concerns, the position was noted to be improving, and the working relationship with the external auditors had strengthened compared to earlier years.

In response to questions, it was noted that:

- the proposed additional audit fee increase of £62,000 had been formally challenged by officers, who considered parts of it unreasonable.
- Members expressed concern that the ongoing backlog undermined the credibility of the audit process, particularly given that annual accounts were being approved without clarity on prior years' figures.
- questions were also raised about the impact of Local Government Reorganisation and the absence of a clear national plan for resolving the backlog. It was acknowledged that while the Council's accounts remained strong, risks relating to asset valuations and debt could still arise from an audit perspective.
- Members further recognised that there was little scope to challenge the auditors beyond referring matters to PSAA, as the regulatory framework gave auditors wide discretion and imposed no penalties for delays.
- reassurance was provided that housing benefit grant claim audits remained unaffected.

RESOLVED that the update be noted.

(7.02pm to 7.06pm)

7. Updated Internal Audit Plan 2025

The Committee received a report from the Audit Services Manager presenting the updated Internal Audit Plan 2025. It was explained that in March the Committee had considered how the Internal Audit Plan was formulated, and that the Council followed a six-month rolling programme to allow flexibility. The updated plan set out the reviews proposed for October 2025 to March 2026, which had been agreed with the

Management Team. The outcomes of these reviews would be reported back to the Committee in the Annual Report, with work in progress scheduled to come to the next meeting.

In response to questions, it was noted that Appendix A of the plan included a review of the Council's decision-making processes, with specific reference to succession planning. Members queried how this could be approached given the uncertainty of future scenarios. It was clarified that the review would focus on the governance arrangements around decision-making, including who is responsible for sign-off. Consideration could also be given to how such arrangements could be assessed to manage potential future risks.

RESOLVED that the updated Internal Audit plan 2025 be noted.

(7.06pm to 7.15pm)

8. Risk Management Report

The Committee received a report from the Audit Services Manager providing an update on corporate risk management and the Principal Risk Register. It was explained that responsibility for corporate risk had moved to the Audit Services Manager earlier in the year, and since then work had been undertaken to establish how best to manage the function with limited resources. To support resilience, the service was now working in partnership with Basildon Council, with their Risk Manager assisting Chelmsford. A full update of the Principal Risk Register had been completed, which formed the central element of the Council's risk management framework and provided oversight of key risks. The results of the update were set out in the report.

The Principal Risk Register was noted to be broadly reflective of previous iterations, with many risks remaining at a very high level. This was considered a sign of good governance, ensuring that the most significant risks were kept under regular management oversight.

Other areas of activity included an update to the risk management framework, early development of a Local Government Reorganisation risk register, and the preparation of a new Risk Management Strategy attached at Appendix 2 to the report. Work was also underway to explore options for the future of the Council's risk system.

In response to questions, it was noted that the cancellation of the A12 widening scheme would require amendment of the associated risk title, to reflect the focus on securing alternative funding.

RESOLVED that the risk management report be noted

(7.15pm to 7.20pm)

9. Annual Health and Safety Report 2024/25

The Committee received a report from the Public Health and Protection Services Manager providing the 2024/25 annual health and safety update. The report summarised activity over the last 12 months, including training, analysis of accidents,

and audit activity, with support from external advisors in higher risk service areas. It was noted that the Council's Health, Safety and Welfare Forum had been consulted on the report and would next meet in November.

The Committee heard that core training courses continued to be delivered, with numbers of staff trained set out in the report. The data in May and June showed that some courses were overdue, these figures were constantly changing as new training was issued and completed. Overall, the number overdue was considered manageable, and progress had been made in increasing the availability of trainers for key courses such as Manual Handling and EVAC Chair.

Accidents were highlighted as a key indicator of safety performance. There had been an increase in accidents compared with the previous year, including seven more incidents that were required to be reported to the Health and Safety Executive (HSE), bringing the total to thirteen. Most accidents occurred within the Public Places Directorate, which reflected the higher-risk operational services provided. The most common accident types continued to be slips and trips, impacts, and manual handling injuries. Accidents to members of the public had also increased, from 31 to 39, with many of these occurring at holiday clubs which take place at Riverside, Chelmsford Sports and Athletics Centre, and the Theatre. It was emphasised that although figures had risen, the overall numbers remained low when considered against the scale of activity undertaken by the Council.

Audit work carried out by Peninsula during the year was summarised, with most actions completed, although two high-risk items remained outstanding at the Bancrofts Road site relating to fire safety. These were being addressed through follow-up arrangements. A programme of audits for 2025/26 had been scheduled across a range of services.

In response to questions, it was noted that:

- accidents reported at holiday clubs were not considered excessive in proportion to the level of activity, but Members expressed concern that the wording in the report could be interpreted as complacent. It was therefore agreed that the wording would be amended to better reflect that the Council takes all accidents seriously while recognising that high activity levels naturally increase the number of reported incidents.
- Members were reminded that incidents involving children were all logged and if related to the activity being undertaken, they are recorded as accidents, which demonstrated strong reporting compliance.
- It was also noted that different levels of training were in place for different roles, not all training was repeated annually, and there was no fixed timescale for new staff, though health and safety e-learning was available as part of induction.
- The Committee also sought clarification on how acts of violence were recorded and investigated, with reassurance given that incidents were appropriately followed up.

RESOLVED that the annual health and safety report 2024/25 be noted.

(7.21pm to 7.36pm)

10. Work Programme

The Committee were updated on the rolling work programme of future reports and work for the next series of meetings.

It was noted that some date changes may be required to align with external audit deadlines and that members would be advised of any changes.

It was noted that the meeting of December had been cancelled, and an additional meeting was arranged for January 2026.

RESOLVED that the work programme be agreed.

(7.36pm to 7.37pm)

11. Urgent Business

There was no urgent business.

The meeting closed at 7.37pm.

Chair