

**MINUTES OF THE  
AUDIT AND RISK COMMITTEE**  
held on 27 September 2023 at 7pm

Present:

Councillor N. Walsh (Chair)

Councillors, N. Dudley, K. Franks, I. Grundy, A.B. Sosin, and S. Sullivan

Also in attendance –

Independent Person –  
Mr C Groves

### 1. Attendance and Apologies for Absence

Apologies for absence were received from Councillors N. Bugbee, D. Clark, and R. Whitehead, for which Councillor S. Sullivan stood in as a substitute for.

### 2. Minutes

The minutes of the meeting on 21 June 2023 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

The Chair welcomed Councillor R. Whitehead as a newly appointed member of the Audit & Risk Committee as well as the designated independent person, Mr Groves.

## 6. Update on External Progress

The Committee received an update on the significant delays to the external audit of the statement of accounts.

The Committee received and noted the letter from the Parliamentary Under-Secretary of State, Lee Rowley MP. The officers identified key positive actions to developed by Government to ensure audit delays were managed effectively which included that the accounts to be more focused on local government risks; change statutory deadlines for publication; allowing Auditors the option not to audit sections of account; produce Value for Money assessments for outstanding years; Financial Reporting Council to increase emphasis on the timelines, and; improve external auditor capacity.

It was however noted by the officers that the deadlines proposed by the Government were perceived to be unrealistic due to BDO's lack of engagement. It was also noted as the audits were delayed by so much, these would not have a lot of value. Officers also noted that the emphasis on the timeliness of audits still cannot be enforced.

In response to the questions and statements from Members of the Committee, it was advised that;

- The government identified that the public sector audit resources needed to grow.
- With regards to the valuation of assets, lower levels of audit testing for non-investment assets, were likely in future, as this carried little risk to tax-payer. For investment properties which at many authorities had been funded by debt would have high levels of audit challenge.
- Regarding the auditing of the pension fund, new guidance would aim to reduce the duplication of external audits currently taking place at pension fund and district councils.
- Officers informed the Committee that it was still unclear how the new auditors, Ernest Young (EY), would be able to start the audits as BDO remained unresponsive. So could not provide a handover. A more substantial conversation would take place with EY soon.

**RESOLVED** that the Update on External Progress be noted.

(7.04pm to 7.15pm)

## 7. Draft Statement of Accounts 2022/23

The Committee received the draft unaudited Statement of Accounts 2022/23. Members had already in June been provided with copy, as published on the Council's website. The meeting represented a formal chance to start consideration of the accounts. It was noted that the Council's account would only be legally approved on completion of the external audit.

In response to the questions from the Committee, it was advised that;

- It was clarified that the Council did not have any external loans. References to borrowing in the accounts were either finance leases or internal borrowing.
- It was observed that the audit delay did not have much of an impact on how suppliers view the Council. Except for banks who usually required audited accounts.
- Regarding financial support for residents during COVID, officers advised that the Council had set up a Hub to support residents. Other than that, payments to the public for Covid support were funded by Government.
- With regards to the details on the theatre capital programme, it was advised that the statement of accounts does not identify specific schemes in the capital programme. It was advised that the outturn reports made to committee in June would have details.

**RESOLVED** that the Draft Statement of Accounts 2022/23 be considered.

(7.15pm to 7.20pm)

## 8. Annual Health & Safety Report 2022/23

The Committee received the Annual Health and Safety Report from the Public Health and Protection Services Manager. The report summarised the activity undertaken with corporate health and safety in the last 12 months.

The Council was committed to high standards of health and safety and have noted their partnership with Peninsula, which have been in place since 2020, in providing advice and carrying out audits across the higher risk services. The Council have a broad range of services and it was made sure that we are compliant with the legislation and its Health, Safety, & Welfare Forum would further promote cooperation, best practice, and development in improving the health, safety, and welfare of employees at work.

It was reported that 1185 training courses were completed by employees in total including e-learning courses which were accessible to all staff. It was also noted that a small proportion of employees failed to attend training and there would be a disciplinary process to ensure that staff attend all required training.

Accidents continued to be a key indicator on the effectiveness of the health and safety system. It was noted that as parks and waste collections continued to operate throughout the COVID pandemic, the numbers of accidents from these areas should not be affected. However, it might have had an indirect effect due to the increase in accidents in 2022/23 but still lower than pre-pandemic. There was also an increase in RIDDOR-reportable accidents with 2022/23 having four more than the previous year. Public Places remained to have the majority of the accidents due to high-risk activities but it was also noted that there was an increase of accidents in Sustainable Communities. Slips/trips, as well as impact, caused the most of injuries but actual numbers remained low to the scale of waste collection operation. Concerns were raised regarding the acts of violence which increased in 2022/23 with three incidents were noted against Council staff. Future incidents would be monitored to see if

additional safeguards or training would be put in place. Accidents to members of the public were also decreasing and were noted to be lower than pre-pandemic.

The Committee were also informed of the audit investigations and it was noted that low risk audits can slip when higher priority work is required to be carried out. They report also noted audits completed by Peninsula, who were the external auditors and looking back where accidents were occurring. Peninsula undertook audits for Freighter House including Depot, Parks, Riverside, and South Essex Parking Partnership. There were no outstanding high-risk actions following from Peninsula audits and the Committee were also informed of the range of audits to be undertaken for the year.

In response to the questions and statements from the Members of the Committee, it was advised that;

- In relation to the three violent incidents experienced by the Council staff from the members of the public, it was advised that occupational health were in place for the employees. It was advised that incidents were reported to the police as well.
- Regarding the low numbers of employees trained on VDU assessor training on the report, it was advised that nobody had been trained since 2019 due to self-assessments taking in place instead in response to hybrid work environment. Employees would be able to assess their workstation at home and it was advised that VDU Assessor Training would discontinue. It was also reported that IOSH Working Safely Refresher was also to discontinue as the Working Safely course is retaken.
- In clarification of the function of Peninsula, it was advised that they were an international company whose main business was to provide advice on HR but they were also able to provide advice on health and safety which was noted very few companies would be able to.
- With regards to a query regarding stress management and mental health, it was noted that this function moved to HR who facilitate a lot of mental health work as well as provide occupational health.
- Regarding to freedom to speak out policies and questionable practices. . Any raised issues sent directly would be actioned but would not be logged. Officers advised that a system would be developed and accessed via the Intranet. The Committee was also advised of the whistleblowing policy which would be recorded.

**RESOLVED** that the Annual Health & Safety Report be noted.

(7.20pm to 7.41pm)

## 9. Updated Internal Audit Plan 2023

The Committee received a report updating them of the current work on Internal Audit Plan 2023.

The Committee noted that the Internal Audit Plan used to set out work for the full year ahead. This was changed to a six-month rolling plan instead to allow flexibility and the

Internal Audit Plan is reviewed at midpoint in the year. The report therefore outlined the areas for review from October to March 2024.

The Committee was informed that the internal audit plan was risk-based with input from the Council's corporate plan, Principal Risk Register, Fraud Risk Register, and Annual Government Statement. Local and national risks were also taken into consideration in the internal audit plan.

The Committee was informed that officers make sure to provide assurance with regards to the Council's highest risk priorities. It was advised that the work to be undertaken still aligned with priorities. A list of reviews to be undertaken were shared to the Committee.

**RESOLVED** that the updated Internal Audit Plan 2023 be noted.

(7.41pm to 7.44pm)

## 10. Counter Fraud Strategy Action Plan Update

The Committee received a report updating them on the Counter Fraud Action Plan with the work undertaken since the last update in March 2023. It was noted that the Committee had approved the 2022-24 Counter Fraud Strategy and the corresponding action plan in December 2022.

Officers advised that a lot of work had been undertaken and notified Members of the next stages of the action plan. The Committee was updated that the training and awareness activities for staff and Members was soon to be rolled out. This would enable them to underpin the Council's responsibilities to promote anti-fraud. There is a Fraud response plan to ensure that council staff and Members were aware of what actions they should take and who they should be talking to prevent and detect fraud.

The Committee was also informed that the Fraud Risk register and Anti-Bribery and Corruption would be uploaded to Lighthouse to better monitor risks. Officers would also continue to monitor the 2022/23 NFI matches and that a Counter Fraud Annual Report would be produced for the March 2024 Committee to demonstrate how the Council is meeting Fighting Fraud and Corruption Locally best practice.

In response to a query with regards to resources, officers advised that this would be monitored given the small internal audit team within the Council. It was stressed that countering fraud was the whole council's responsibility and the strategy is a council-wide approach rather than sole responsibility of a specific team.

**RESOLVED** that the Counter Fraud Strategy Action Plan update noted.

(7.44pm to 7.48pm)

## 11. ARC Work Programme

The Committee was updated on the rolling work programme of future reports and work for the next series of meetings. The Committee was also updated regarding agreed actions from the June 2023 meeting.

The Committee was informed of the successful recruitment for the two Independent Persons position as recommended by CIPFA. They were also notified of the training needs assessment to be circulated around the Committee members to identify training needs. The Committee was also reminded of the self-assessment that would also be circulated to evaluate impact and identify further areas of improvement.

Regarding a query about the demonstration of the Lighthouse system, officers advised that this would be covered under the risk management report at the December 2023 meeting.

**RESOLVED** that the ARC Work Programme to be noted and agreed.

(7.48pm to 7.50pm)

## 12. Urgent Business

There was no urgent business for the meeting.

The meeting closed at 7.50pm.

Chair