

**GOVERNANCE, AUDIT AND PERFORMANCE COMMITTEE held at ZOOM  
on TUESDAY, 16 MARCH 2021 at 7.00 pm**

Present: Councillor E Oliver (Chair)  
Councillors S Barker, G Driscoll (Vice-Chair), M Foley, V Isham,  
R Jones, A Khan, S Luck and J De Vries

Officers in attendance: R Auty (Assistant Director - Corporate Services), E Brooks (Internal Audit Manager), P Evans (Customer Services and Performance Manager), B Ferguson (Democratic Services Manager), C Gibson (Democratic Services Officer), O Knight (PFI and Performance Officer) and A Webb (Director - Finance and Corporate Services)

Also present: D Eagles (BDO) and A Langridge (BDO).

**GAP35 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies were given by Councillor Foley, who had indicated that he might be able to join the meeting later.

**GAP36 MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 4 February 2021 were approved.

**GAP37 AUDIT PLAN**

Mr Eagles and Ms Langridge presented BDO's Audit Planning report, which provided Members with the opportunity to review BDO's planned audit strategy for the year ending 31 March 2021. Reference was made to the Overview of Audit risks (Agenda page 22) in that the risks were largely the same as those previously identified.

The Chair referred to the proposed audit timeline and asked whether works would be completed by the end of September 2021 given that the fieldwork would not commence until 30 August 2021.

Mr Eagles said that there were a significant number of incomplete local authority audits outstanding from the previous two years and that, because of the impact of those audits, he considered the deadline of the end of September 2021 to be unrealistic. He said that representations had been made to the Ministry of Housing, Communities and Local Government (MHCLG) for an end of November 2021 deadline, but these had not been accepted. There was a need to discuss exact timings and put a realistic plan in place with the Council.

In response to various questions, Mr Eagles clarified that the 2019/20 Housing Benefits assurance work was a separate piece of work and that the target date for completion was the end of March 2021. He also said that staff were still

dealing with the previous year's audits at other local authorities and therefore could not be allocated in the way in which they would usually be and works could not therefore be completed within the usual timescales.

Councillor Khan asked when the Risk Register had last been reviewed by the Committee.

The Assistant Director - Corporate Services said that a Risk Register review item would be brought to the next scheduled meeting.

Councillor Khan asked how important the Annual Governance Statement was as part of the Annual Accounts. He asked Mr Eagles to confirm that the Annual Governance Statement was a significant part of the Annual Accounts.

Mr Eagles confirmed that the Annual Governance Statement was a mandatory part of the Annual Accounts and its omission would therefore be a significant issue. He responded to further questions about the content of an Annual Governance Statement from Councillor Khan that he was not prepared to answer any questions that related to the 2019/20 Accounts.

Councillor Khan asked again for confirmation that the Annual Governance Statement was an essential part of the Annual Accounts and should be taken seriously.

Mr Eagles confirmed that this was correct.

In response to questions from Councillor Khan about possible interactions between the Auditor and the GAP Committee Chair, Mr Eagles indicated that there were currently no meetings scheduled and that any possible future meetings would be dependant on the nature of any issues encountered.

Councillor Barker declared an interest as a Member of Essex County Council and Chair of Essex Pension Fund; she expressed concerns about possible lack of audit resources and asked for some clarification.

Mr Eagles said that there were significant challenges being faced; the number of firms auditing local government accounts had reduced from seven to five, there had been significant churn around audit appointments for the 2018/19 accounts which together with deadlines being brought forward, more complex requirements and, subsequently, Covid- 19 for 2019/20 had led to what he saw as the worst position in his thirty years of auditing, with audit resource having to focus on completing earlier years' work. He said that the MHCLG was looking to allocate a further £15 million for additional audit fees within the 2021/22 financial year.

Councillor Khan asked, in light of that information, how robust this year's audit would be.

Mr Eagles said that the Council delivered good sets of accounts and working papers and he saw no reason for not having efficient delivery – this was not a question of robustness of audit but of timing of delivery.

Councillor Khan questioned the mechanism in place raising additional issues with the Auditor.

Mr Eagles said that he would be bringing back to the Committee a more detailed Risk Assessment in respect of Use of Resources, once guidance had been received from the National Audit Office.

Councillor Luck raised his concerns about what he considered to be an unsatisfactory situation but indicated that he would take this forward off-line.

The Chair said that this was obviously a sad situation whereby works that usually started in February would not be starting before August. He thanked the BDO Auditors for their contribution.

### **GAP38 INTERNAL AUDIT TERMS OF REFERENCE - REVIEW OF GRANT GOVERNANCE**

The Internal Audit Manager gave a summary of the report, which detailed the Internal Audit Terms of Reference for the review of the Council's governance and control arrangements for the management of grants to recipient organisation. She said that the review would be looking at the processes that were currently in place.

*Councillor Foley joined the meeting at 7.33 pm.*

In response to various questions the Internal Audit Manager confirmed that the Ward Member grants given by individual Members were within the scope of the review and that all "contract management" processes were also being covered.

Councillor Driscoll said that he would appreciate more guidance for Members in respect of the administration of their £2,000 Ward Member grant budgets.

The Committee noted the scope of the review.

### **GAP39 COVID-19 PERFORMANCE INDICATOR REPORT 6**

The PFI and Performance Officer gave a summary of the report, which presented the outturn data for all COVID-19 performance indicators for the period 4 January 2021 to 28 February 2021.

He said that overall, data outturns highlighted that services were continuing to perform well despite the current circumstances. He referred Members to the summary provided in Paragraph 18 and highlighted that 193 Test and Trace Payments (Statutory and Discretionary; CV48) had been made since week commencing 12 October 2020. He also said that the report showed that a total of over £5 million had been paid in Localised Restrictions Support Grants (CV51) since w/c 23 November 2020 and that the latest figure now stood at around £7 million over recent weeks.

In response to a question from Councillor Barker about a matter that she had previously raised of introducing a KPI for rent received from commercial tenants, the PFI and Performance Officer confirmed that this remained under consideration.

Councillor Driscoll referred to CV01- Time taken to process Housing Benefit/ Local Council Tax Support New Claims and asked if there was an explanation for the various fluctuations.

Officers confirmed that claims had become more complex, particularly from the self-employed and there had been peaks at the start of each lockdown period but that there had been no shortages of staff during this period and that staffing levels remained adequate.

Councillor Khan raised the issue of measuring both Planning and Environmental Health enforcement during the pandemic.

The PFI and Performance Officer referred to CV09 – Number of enquiries/ complaints received regarding potential premises closures breaches, and social distancing. He said that local Planning enforcement PI's were submitted to Corporate Management Team for review on a quarterly basis and that he would take away the request for data.

In response to a question from Councillor Foley in respect of possible future funding for Planning enforcement, the Director – Finance and Corporate Services said that there would be money in the budget available for the recommendations being made by the East of England Local Government Association planning review team and that ensuring that the correct levels of support were in place was part of the consultants' brief.

The Committee noted the performance of services during the COVID– 19 pandemic.

#### **GAP40 COUNCIL PROCEDURE RULES: TIME PERMITTED FOR QUESTIONS TO THE EXECUTIVE AND COMMITTEE CHAIRS**

Councillor Driscoll, as Chair of the Task and Finish Group, introduced the report and particularly thanked Councillor Barker for her contribution through her insight into the Essex County Council systems.

Members spoke in support of the proposed amendment to Rule 2.4, highlighting the benefits of having written questions and an extended time period of 30 minutes for questions. There was some discussion about the logistics of publishing written answers to questions alongside the Agenda on the website. The view was expressed that this would bring more order, organisation and clarity to the meeting and would enhance the tone.

The Assistant Director - Corporate Services confirmed that, if approved, the recommendation would be taken forward to Council.

The Democratic Services Manager said that the trial period as stated would be for two Council Meetings but that questions would not be permitted at Annual Council or budget setting meetings.

Councillor Khan thanked the Democratic Services Manager and his team for the input.

Councillor Driscoll proposed that the Committee recommends to Council that it amend Rule 2.4 of the Council Procedure Rules as set out in Appendix 1 to this report on a trial basis.

Councillor Isham seconded the motion. There was no dissent.

RESOLVED that the Committee recommends to Council that it amend Rule 2.4 of the Council Procedure Rules as set out in Appendix 1 to this report on a trial basis.

*The meeting closed at 8.03 pm.*