

<b>Committee(s):</b> Ordinary Council	<b>Date:</b> 28 <sup>th</sup> July 2021
<b>Subject:</b> Chairs report for Audit and Scrutiny Committee	<b>Wards Affected:</b> All
<b>Committee Chair:</b> Cllr Charles Nolan	
<b>Report of:</b> Jacqueline Van Mellaerts, Corporate Director - Finance & Resources	<b>For Information</b>

The Audit & Scrutiny Committee met on the 6<sup>th</sup> July with the updates set out below:

### **Annual Audit Letter 2019-20**

The committee was presented with the Annual Audit Letter issued by the external auditors, Ernst & Young, following the completion of the audit of the 2019/20 accounts. The Audit opinion was issued on 28<sup>th</sup> May 2021 and the accounts have been published on the Council's website.

### **Unaudited Statement of Accounts 2020-21 and Annual Governance Statement.**

In March 2021 MHCLG published The Accounts and Audit (Coronavirus) (Amendment) Regulations 2021 (SI 2021/263). These extended the statutory audit deadline for 2020/21 for all local public authorities in England, police and fire bodies.

The draft accounts publication deadline was extended from 1<sup>st</sup> June to 1<sup>st</sup> August. A report was taken to Audit & Scrutiny on 6<sup>th</sup> July to note Brentwood's Unaudited Statement of Accounts 2020/21 and approve the Annual Governance Statement by the council's revised deadline.

For local authorities the publication deadline for audited accounts for 2020-21 has been moved from 31 July 2021 to 30 September 2021. It is currently not known when EY LLP will commence their audit. This was scheduled to be 1<sup>st</sup> August but has now been postponed due to audit resources.

To provide local authorities more flexibility, the requirement for the public inspection period to include the first 10 working days of June has been removed. Instead they must commence the public inspection period on or before the first working day of August 2021 and should give notice of the period planned.

Public Inspection notices and the Unaudited Statement of Account 2020/21 along with the Annual Governance Statement will be published on the Council's website by the 1<sup>st</sup> August.

### **Internal Audit 2020-21 & Annual Opinion**

The following reports have been finalised since the last committee and were reported to Audit and Scrutiny Committee on 6<sup>th</sup> July 2021.

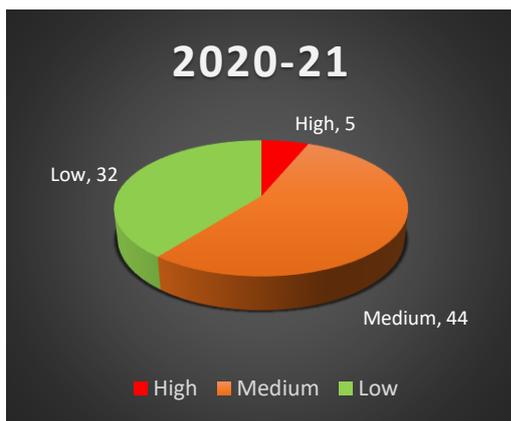
- Risk Management (Substantial/Moderate)

- Main Financial Systems (Moderate/Moderate)
- Financial Planning and Monitoring (Substantial/Substantial)
- Covid-19 related grants (Substantial/Substantial)
- Licensing. (Moderate/Limited)

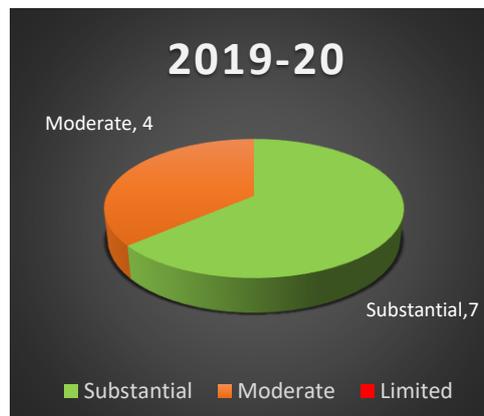
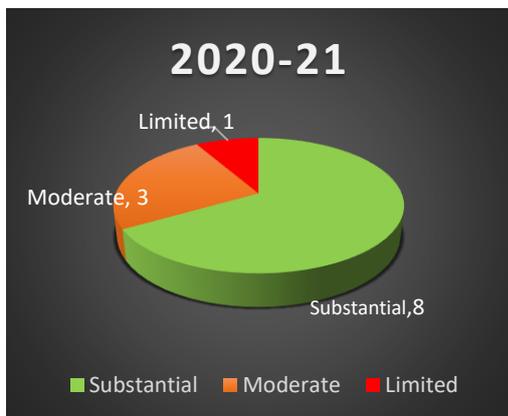
The Internal Annual Audit opinion was also reported and has been included within the Annual Governance Statement. The overall opinion was of a moderate assurance that there is sound system of internal control, designed to meet the Council’s objectives and that controls are being applied consistently. Internal Auditors BDO, noted a deterioration in the control environment compared to last year, although not to the extent that is necessary to downgrade their overall opinion. The lapse in controls in some areas this year, such as sickness absence management in the depot and the operational areas of Licensing and Street Cleaning/Fly Tipping/Enforcement is as a result of the ongoing Covid-19 pandemic and the consequent strain on resources.

A summary on the internal Audit plan for 2020/21 is shown below.

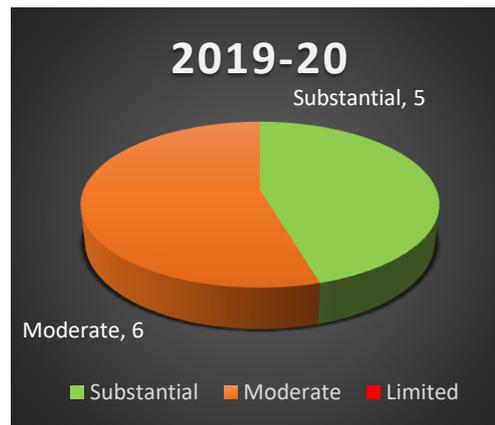
**Recommendations and Significance**



**Control Design**



## Operational Effectiveness



## Risk Management

The Committee regularly review the councils strategic and operational Risk Registers. The committee noted 12 Strategic risks on the register. 1 low, 4 medium, 5 high, and 2 very high.

The Risk Registers are currently under review to align them to the Corporate Strategy, as well as presenting them in a more appropriate format.

## Community Safety Partnership

The committee noted the work of the Community Safety Partnership (CSP). The CSPs Strategic Priorities for 2020/21 are:

- Safer Community
- Safer Future

A set of action plans were developed which underpins delivery of the above priorities. and sets out how the partnership will work together to stimulate activity across the Borough, focusing on those activities that add value because of being delivered in partnership.

## Local Development Plan Working Group

The Local Development Plan (LDP) Member Working Group is an established engagement between Officers and Councillors focussed on delivery of the Council's Local Plan and related work. Its purpose was approved by Policy, Projects and Resources Committee in September 2017. The work of the working group is monitored by the Audit and Scrutiny Committee as part of the committee's work programme. Notes from its previous working group were presented to the Audit & Scrutiny Committee.

## **Scrutiny Work Programme**

The Constitution requires that the Audit & Scrutiny Committee agrees its Scrutiny work programme at each meeting of the Committee.

In addition to this there were a number of matters agreed by the committee on the 6<sup>th</sup> July 2021 as follows

- A report on the progress of Motions made at Ordinary Council be provided on a regular basis to the Audit & Scrutiny Committee.
- Review of member representation on outside organisations made to the Audit & Scrutiny Committee during the financial year.
- Members were nominated to a working group to undertake a review of the Council's Housing Repairs and Maintenance contractor Axis. A meeting would be arranged in due course.
- The next meeting of the Brentwood Leisure Trust Members Working Group is due to take place on the 10<sup>th</sup> August 2021.