

Audit and Standards Committee

Minutes of the meeting held in the Ditchling Room, Southover House, Southover Road, Lewes, East Sussex, BN7 1AB, on 20 January 2020 at 10.00am

Present:

Councillor Julian Peterson (Chair)

Councillors Stephen Gauntlett (Vice-Chair), Christine Brett, Roy Burman, Roy Clay and Adrian Ross

Officers in attendance:

Oliver Dixon (Senior Lawyer and RIPA Monitoring Officer)

Jackie Humphrey (Chief Internal Auditor)

Jennifer Norman (Committee Officer, Democratic Services)

Ola Owolabi (Deputy Chief Finance Officer, Corporate Finance)

26 Minutes

The minutes of the meeting held on 23 September 2019 were submitted and approved, and the Chair was authorised to sign them as a correct record.

27 Apologies for absence/declaration of substitute members

There were none.

28 Declarations of interest

There were none.

29 Written questions from councillors

There were none.

30 Update on Lewes District Council's use of covert surveillance powers

The Committee received the report which provided an overview of the Council's recent use of covert surveillance powers.

The RIPA (Regulation of Investigatory Powers Act 2000) MO (Monitoring Officer) summarised the annual report, reminding the Committee that it had oversight on the Council's use of covert surveillance and intelligence

gathering. He explained that for legal reasons, the report could only provide an overview of surveillance activity and it could not disclose personal data or details of individual cases that were still the subject of active investigation.

The Committee queried whether the RIPA MO had a record of all of the online investigations and how many had been carried out. The RIPA MO explained that the process for conducting online investigations lawfully was in place, but it hadn't actually been used yet.

The Committee queried what period the annual report covered. The RIPA MO clarified that the report covered 1 January 2019 to 31 December 2019. The Committee commented that it would be helpful for future reports to list the dates covered and details regarding number of activities carried out within the calendar year. The RIPA MO agreed to format future annual reports this way.

Resolved:

That the report be noted.

31 Strategic Risk Register quarterly review

The Committee received the report which summarised the outcomes of the quarterly review of the Strategic Risk Register (SRR) by the Corporate Management Team (CMT).

The Chief Internal Auditor (CIA) explained that as the report was a quarterly report, it wouldn't normally come to the January meeting of the Committee. She further explained that the report should have been presented to the Committee at its meeting in November 2019, but the meeting was cancelled due to Purdah prior the General Election in December 2019.

The CIA highlighted that at its last meeting, the Committee requested that a separate risk for a potential personal data breach be added to the SRR. Whilst it had originally been felt that this risk sat under SR_028, failure to meet regulatory or legal requirements, it was agreed to add this as a risk in its own right. The risk now appears as SR_030 in Appendix 1.

Resolved:

That the report be noted.

32 Internal Audit report for the first two quarters of the financial year 2019/2020

The Committee received the report which provided a summary of the activities of Internal Audit and Counter Fraud for the first quarter of the financial year, 1 April 2019 to 30 September 2019.

The CIA summarised the report and reminded the Committee that as the majority of service areas now provided services across both Lewes District Council (LDC) and Eastbourne Borough Council (EBC), the results of work carried out by Internal Audit and Counter Fraud would be reported to both the

LDC Audit & Standards Committee and the EBC Audit & Governance Committee. She highlighted, however, that when any findings related specifically to one Authority, then the findings would be reported to the relevant Council's Audit committee.

Resolved:

That the report be noted.

33 Delay to the External Audit of the 2018/19 Statement of Accounts

The Committee received the report which updated Members in respect of the delay in issuing the final and audited Statement of Accounts for the year 2018/19.

The Deputy Chief Finance Officer (Corporate Finance) summarised the report which detailed the issues surrounding the reasons for the delay in reporting the 2018/19 Statement of Accounts. He explained that following discussions with Deloitte, the Council's External Auditors, a statement regarding delay to the External Audit of the 2018/19 Statement of Accounts was published on the Council's website in compliance with Regulation 10, paragraph (2a) of the Accounts and Audit Regulations 2015, and which was detailed in Appendix 1.

The Committee wished to express its disappointment in relation to the reasons for the delay in the final audit of the Statement of Accounts 2018/19, and requested that Officers contact the Public Sector Audit Appointments Limited (PSAA) to relay the Committee's displeasure. Officers agreed.

The Committee also requested that Deloitte be present at future meetings of the Committee, as was practice by the Council's previous External Auditors. The Deputy Chief Finance Officer (Corporate Finance) confirmed that he would request that a member of Deloitte's team be present at future meetings.

The Committee wished to thank the Deputy Chief Finance Officer (Corporate Finance) for presenting the report and reasons for delay in the final audit of the 2018/19 Statement of Accounts in a way that was clear and concise.

Resolved:

- 1) That the report be noted;
- 2) That Officers be requested to contact the PSAA to express the Committee's disappointment in relation to the reasons for delay in the final audit of the Statement of Accounts 2018/19; and
- 3) That Officers contact the Council's External Auditors, Deloitte, to request that they be present at future meetings of the Committee.

34 Treasury Management

The Committee considered the report which presented details of recent Treasury Management activity for the period of 1 November 2019 to 31 December 2019.

The Deputy Chief Finance Officer (Corporate Finance) brought the Committee's attention to section 3 of the report which he explained was a fairly new addition that detailed compliance with treasury and prudential limits. He also highlighted section 5 which provided an update on the Environmental, Social and Governance Issues (ESG) and responsible investment (Arlingclose), and explained that this was an area that would be reviewed and reported back to the Committee on a quarterly basis going forward.

Resolved:

That Cabinet be recommended to accept the Treasury Management activity from 1 November 2019 to 31 December 2019 has been in accordance with the approved Treasury Strategy for the period, with the exception of items detailed in paragraph 2.10 of the report.

35 Date of next meeting

Resolved:

That the next meeting of the Audit and Standards Committee that is scheduled to be held on Tuesday, 17 March 2020 in the Ditchling Room, Southover House, Southover Road, Lewes, East Sussex, BN7 1AB, commencing at 10:00am, be noted.

The meeting ended at 11.50am.

Councillor Julian Peterson (Chair)