



## **Audit and Standards Committee**

**Minutes** of a meeting of the **Audit and Standards Committee** held in the **Ditchling Room, Southover House, Southover Road, Lewes** on **Monday, 19 March 2018** at 10.00am

**Present:**

Councillor M Chartier (Chair)  
Councillors S Catlin and J Denis

**Officers Present:**

D Heath, Head of Audit and Counter Fraud  
S Jump, Deputy Head of Finance  
J Norman, Committee Officer

**Also Present:**

J Combrinck, Engagement Lead, BDO

	<b>Minutes</b>	<b>Action</b>
<b>42</b>	<b>Quorum</b>  The meeting was inquorate and the resolutions made were therefore those of the councillors who were present.	
<b>43</b>	<b>Minutes</b>  The Minutes of the meeting held on 22 January 2018 were approved as a correct record and signed by the Chair.	
<b>44</b>	<b>Apologies for Absence</b>	

Apologies for absence had been received from Councillors N Enever, S Gauntlett and A Loraine.

#### **45 Interim Report on the Council's Systems of Internal Control 2017/18**

The Committee received the report which informed councillors on the adequacy and effectiveness of the Council's systems of internal control during the first eleven months of 2017/18, and which summarised the work on which that opinion was based.

Members' discussion included:

- If it would be possible for the Council to make available its room hire information and availability to town and parish councils within the District.
- Health and safety practices of the Council's cemeteries within the District.
- That congratulations and thanks be given to officers for their dedication and hard work despite issues with staffing.

Officers responded that:

- This would need to be raised with the appropriate manager.
- They were responsible for the internal audit work, but health and safety practices had not been looked at, as they were not part of the internal audit.
- They were thankful for the Committee's acknowledgement of their efforts.

Recommended:

1. That it be noted that the overall standards of internal control were satisfactory during the first eleven months of 2017/18, as shown in section 3 of the report.

Reason:

The remit of the Audit and Standards Committee included the duties to agree an Annual Audit Plan and keep it under review, and to keep under review the probity and effectiveness of internal controls, both financial and operational, including the Council's arrangements for identifying and managing risk.

#### **46 Annual Audit Plan 2018/19**

The Committee considered the report which set out the Annual Audit Plan for 2018/19.

Recommended:

1. That the Annual Audit Plan for 2018/19, as set out in Appendix 1 of the report, be agreed; and
2. That it be noted that the Annual Audit Plan recognised the specific circumstances which arose from the Joint Transformation Programme (JTP), as part of which the shared Audit and Counter Fraud service became formally integrated on 1 July 2017, as shown under Section 2 of the report.

Reasons:

The remit of the Audit and Standards Committee included a duty to agree an Annual Audit Plan and a three year Strategic Audit Plan, and keep both under review.

#### **47 Risk Management and the Strategic Risk Register**

The Committee considered the report which detailed the Council's Risk Management Strategy, and proposed a change in approach to reporting of strategic risks and highlight those risks that were faced by the Council.

Members' discussion included:

- The Committee's approval and thanks to officers for their work in refining the evaluation of risk scores, as detailed on page 39 of the report.

Officers responded that:

- The Head of Audit and Counter Fraud put the process in place to help align the approach going forward, which have resulted in improvements across both Lewes District Council (LDC) and Eastbourne Borough Council (EBC).

Recommended:

1. That the Council's Risk Management Strategy as set out in Appendix 1 of the report be agreed;
2. That the change in approach to the reporting of strategic risks be approved; and
3. That strategic risks identified by the Corporate Management Team (CMT), and the associated mitigating controls set out in Appendix 2 of the report, be noted.

Reason:

- 1) The Council is committed to the proper management of risk. This report formed part of reporting cycle on risk as set out in the Risk Management Strategy. This report also provided key elements in the Council's submissions to the external auditor, BDO, and will provide data for the Annual Governance Statement (AGS); and

- 2) To align risk management processes with those of Eastbourne Borough Council.

#### **48 Treasury Management**

The Committee considered the report which presented details of recent Treasury Management activity between 1 January to 28 February 2018, and which confirmed that those activities had been in accordance with the approved Treasury Strategy for that period.

##### Recommended:

1. That it be confirmed to Cabinet that Treasury Management activity between 1 January and 28 February 2018 had been in accordance with the approved Treasury Strategy for that period, as set out in the report.

##### Reasons:

The Council's approved Treasury Strategy Statement required the Audit and Standards Committee to review details of investment and borrowing transactions against the criteria set out in the Strategy and make observations to Cabinet as appropriate.

#### **49 Audit Plan – Audit for the Year Ended 31 March 2018**

The Committee considered the report from BDO, the Council's external auditor, which detailed the key issues relevant to the audit of the financial statements and use of resources of the Council for the year ending 31 March 2018.

##### Recommended:

1. That the report be noted.

##### Reasons:

To highlight and explain the key components of BDO's audit strategy relevant to the audit of financial statements and use of resources of the Council for the year ending 31 March 2018.

#### **50 Date of Next Meeting**

Before the date of the next meeting was acknowledged, and prior to his leaving the Council in June 2018, the Committee wished to recognise and thank the Deputy Head of Finance for his professionalism, dedication and all of his hard work during his time with the Council.

##### Resolved:

1. That the next scheduled meeting of the Audit and Standards Committee to be held on Tuesday, 17 July 2018 at 10.00am in the Ditchling Room, Southover House, Southover Road, Lewes be noted.

All to note.

The meeting ended at 11.07am.

M Chartier  
Chair