

## **Audit and Standards Committee**

**Minutes of the meeting held in the Ditchling and Telscombe Rooms, Southover House, Lewes, BN7 1AB, on 27 September 2021 at 10:00am**

**Present:**

Councillor Julian Peterson (Chair)  
Councillors Stephen Gauntlett (Vice-Chair), Christine Brett, Isabelle Linington, Christine Robinson and Adrian Ross

**Officers in attendance:**

Jackie Humphrey (Chief Internal Auditor)  
Jennifer Norman (Committee Officer, Democratic Services)  
Ola Owolabi (Deputy Chief Finance Officer, Corporate Finance)

**Also in attendance:**

Niren Ramkhelowon (Deloitte)  
Ben Sheriff (Deloitte)

**16 Minutes**

The minutes of the meeting held remotely on 26 July 2021 were submitted and approved, and the Chair was authorised to sign them as a correct record.

**17 Apologies for absence/declaration of substitute members**

Apologies for absence were received from Councillor Phil Davis and Homira Javadi (Chief Finance Officer).

**18 Declarations of interest**

There were none.

**19 Urgent items**

The Deputy Chief Finance Officer provided a verbal update in respect of the Public Sector Audit Arrangements (PSAA) 2023, in advance of the formal report to be considered by the Committee at its next scheduled meeting on 15 November 2021.

**20 Written questions from councillors**

There were none.

**21 External Audit of the 2018/19 Statement of Accounts**

The Committee considered the report of the Council's External Auditor, Deloitte, which detailed the key findings in respect of the Council's audit for the year ended 31 March 2019, as set out in Appendix A, and the Council's draft 2018/19 Statement of Accounts, as set out in Appendix B.

The Deputy Chief Finance Officer (DCFO) introduced the report and welcomed representatives from Deloitte, Mr Sheriff and Mr Ramkhelowon. Mr Sheriff summarised the report and its findings, including results of adjustments, value for money and the letter of representation, as set out in Appendix C.

The DCFO highlighted the audit findings, reminding the Committee that a majority of the issues which were raised in Deloitte's draft 2018/19 Statement of Accounts had already been addressed and were not a reflection of the Council's current position in 2021.

The Committee discussed how long the valuation would take, the complexities of completing more than one valuation concurrently, the draft 2019/20 Statement of Accounts and the Newhaven Enterprise Centre.

The Committee queried when Deloitte expected to have the list of outstanding actions completed, as detailed in Appendix A. The DCFO highlighted that the outstanding actions were not significant, but that Council officers and representatives from Deloitte continued to have weekly meetings to monitor the situation, with significant progress having already been made.

The Committee queried the variances contained in Appendix B, and requested that Council officers provide a breakdown of the General Fund variances in respect of Service Delivery and non-recurring expenditures. The DCFO agreed to provide a detailed breakdown of the General Fund variances at a future meeting of the Committee.

The Chair, on behalf of the Committee, thanked Council officers and Deloitte for their work in respect of the audit for the year ended 31 March 2019 and the Council's draft 2018/19 Statement of Accounts.

**Resolved:**

- 1) That the report by the Council's External Auditor, Deloitte, be noted;
- 2) That authority be delegated to the Chair of the Audit and Standards Committee, in consultation with the Chief Finance Officer, to sign-off the audited Lewes District Council 2018/19 Statement of Accounts; and
- 3) That the Chief Finance Officer be authorised to sign the formal Letter of Representation to Deloitte, as set out in Appendix C.

## **22 Treasury Management**

The Deputy Chief Finance Officer (DCFO) summarised the report and its findings.

The Committee discussed Money Market Funds (MMF), Capital Expenditures and the indicators contained in section 6 of the report.

The Committee requested that a Relationship Manager from Lloyds Banking Group be invited to the next meeting to discuss the Council's Environmental, Social and Governance (ESG) investments. The DCFO agreed.

**Resolved:**

That Cabinet be recommended to accept that the Treasury Management activity from 1 April 2021 to 31 July 2021 has been in accordance with the approved Treasury Strategy for the period, as set out in the report.

**23 Internal Audit and Counter Fraud Report for the first quarter of the financial year 2021-2022**

The Committee considered the report which provided a summary of the activities of Internal Audit and Counter Fraud for the financial year 1 April 2021 to 30 June 2021.

The Chief Internal Auditor (CIA) summarised the report and its findings.

The Committee discussed the Audit Charter, business continuity reports and procurement.

The Committee requested that Officers include in future reports the dates recommendations were raised and completed in respect of business continuity reports, as set out in Appendix A. The CIA agreed.

The Committee requested that Officers include in future reports timelines of when recommendations were given to the Corporate Management Team (CMT) in respect of procurement strategies, as set out in Appendix A. The CIA agreed.

**Resolved:**

- 1) That the report be noted; and
- 2) That the Audit Charter, as set out in Appendix D, be approved.

**24 Strategic Risk Register Quarterly Review**

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

The Chief Internal Auditor (CIA) summarised the report and its findings.

The Committee discussed flooding and coastal erosion.

The Committee highlighted that the Ministry of Housing, Communities and Local Government (MHCLG), as referenced in Appendix A, was now named the Department for Levelling Up, Housing and Communities (DLUPC). The CIA noted the change and agreed to make the amendment in future reports.

**Resolved:** That the report be noted.

## **25 Annual Governance Statement**

The Committee considered the report which sought its approval of the amended Annual Governance Statement (AGS), as set out in Appendix A.

The Chief Internal Auditor (CIA) summarised the report and the changes made to the AGS, as a result of discussions with the Committee at its previous meeting.

The Committee queried how much the Council had spent on rough sleeping. Officers agreed to follow-up and report their findings back to the Committee.

**Resolved:**

That the changes made to the Annual Governance Statement, as set out in Appendix A, be approved.

## **26 Date of next meeting**

That it be noted that the next meeting of the Audit and Standards Committee was scheduled to commence at 10:00am on Monday, 15 November 2021 in the Ditchling and Telscombe Rooms, Southover House, Southover Road, Lewes, BN7 1AB.

The meeting ended at 12:25pm.

Councillor Julian Peterson (Chair)