

Audit and Standards Committee

Minutes of the meeting held in the Ditchling & Telscombe Rooms, Southover House, Southover Road, Lewes, BN7 1AB on 15 November 2021 at 10:00am

Present:

Councillor Julian Peterson (Chair);
Councillors Adrian Ross (Vice-Chair), Christine Brett, Phil Davis, Isabelle Linington and Christine Robinson

Officers in attendance:

Oliver Dixon (Monitoring Officer and Head of Legal Services)
Lee Ewan (Counter Fraud Investigations Manager)
Jackie Humphrey (Chief Internal Auditor)
Jennifer Norman (Committee Officer, Democratic Services)
Ola Owolabi (Deputy Chief Finance Officer, Corporate Finance)

27 Election of Vice-Chair

Resolved:

That Councillor Adrian Ross be elected Vice-Chair of the Audit and Standards Committee for the remainder of the 2021/2022 municipal year.

28 Minutes

The minutes of the meeting held on 15 November 2021 were submitted and approved, and the Chair was authorised to sign them as a correct record.

29 Apologies for absence/declaration of substitute members

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

30 Declarations of interest

There were none.

31 Urgent items

There were none.

32 Written questions from councillors

There were none.

33 Change in the order of items on the agenda

Agenda item 10 (External Auditor Appointment Arrangements) was taken prior to that of agenda items 7 (Annual report on Covert Surveillance Management), 8 (Audit and Counter Fraud Work Quarterly Report) and 9 (Treasury Management Quarter 2 Report).

34 External Auditor Appointment Arrangements

The Committee considered the report which outlined the timeline and options available to the Council with regard to appointing an External Auditor when the current arrangements concluded.

The Deputy Chief Finance Officer (DCFO) summarised the report and its findings, highlighting paragraph 3.3, which set out the three options available to the Council in respect of appointing its External Auditor for the five financial years from 2023/24.

The Committee considered the three options and discussed procurement, cost, the logistics of an audit panel, PSAA (Public Sector Audit Appointments) deadlines and liaising with Members of Eastbourne Borough Council regarding the appointment of External Auditors.

The Committee queried the Council's share in respect of figures highlighted in bullet point six on page 60. The DCFO responded that he would clarify the amount and report back to Committee.

The Chair, on behalf of the Committee, thanked Officers for their continued hard work.

Resolved:

- 1) That the decision over which option to recommend to full Council regarding the appointment of External Auditors from 2023/24, be deferred to the next meeting of the Committee on 17 January 2022;
- 2) That Officers formally write to other local authorities in the surrounding areas to seek expressions of interest for a joint procurement exercise;
- 3) That Officers garner expressions of interest from 9 auditors in providing external audit services to the Council outside of the PSAA arrangement, subject to professional procurement advice as to a lawful approach; and
- 4) That Officers provide clarity on arrangements and fees in respect of a possible audit panel.

35 Annual report on Covert Surveillance Management

The Committee received a report which sought to update Members on activity under the Council's Covert Surveillance Policy.

The Counter-Fraud Investigations Manager (and RIPA Monitoring Officer) presented the report and its findings.

The Committee discussed monitoring possible fraud activity through the use of social media, fly tipping, and whether Officers had found a need to use surveillance.

The Counter-Fraud Investigations Manager (and RIPA Monitoring Officer) clarified that current legislation only allowed the Council to use surveillance if certain criteria was met.

Resolved:

That the report be noted.

36 Audit and Counter Fraud Work Quarterly Report

The Committee considered the report which provided a summary of the activities of Internal Audit and Counter Fraud for the first quarter of the financial year - 1st April 2021 to 30th September 2021.

The Chief Internal Auditor (CIA) summarised the report and its findings, highlighting that two members of the team had been undertaking the Institute of Internal Auditors, Internal Audit Practitioner apprenticeships, and that although one is still ongoing, the Audit Manager was the first Internal Audit Practitioner learner ever to be awarded an overall Distinction by the Chartered Institute of Internal Auditors.

The Committee discussed business continuity plans commended and congratulated the Audit Manager on being awarded an overall Distinction.

Resolved:

That the report be noted.

37 Treasury Management Quarter 2 Report

The Committee considered the report which provided details regarding the Treasury Management Activity for the period 1 August to 31 October 2021.

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

The Committee discussed training, MMF (Money Market Funds) and the Council's Environmental, Social and Governance (ESG) investments. The DCFO confirmed that he had been in discussions with Lloyd's Banking Group and would liaise with the Committee Officer as to an agreed date and time for a Members' Briefing Session regarding ESG investments.

Resolved:

That Cabinet be recommended to accept that the Treasury Management activity for the period 1 August to 31 October 2021 has been in accordance with the approved Treasury Strategies.

38 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, 17 January 2022, in the Ditchling and Telscombe Rooms, Southover House, Southover Road, Lewes, BN7 1AB.

The meeting ended at 12:15pm.

Councillor Julian Peterson (Chair)