

## **Audit and Governance Committee**

**Minutes of the meeting held in Room 209/210 on the Second Floor, The Marine Workshops, Railway Quay, Newhaven, East Sussex, BN9 0ER, on 10 December 2024 at 5:00pm**

**Present:**

Councillor Stephen Gauntlett (Chair);

Councillors Daniel Stewart-Roberts (Deputy-Chair), Christine Brett (Substitute), Graham Clews, Cathy Gallagher and Charlotte Keenan

**Officers in attendance:**

Lee Ewan (Counter Fraud Investigations Manager), Steven Houchin (Deputy Chief Finance Officer), Jackie Humphrey (Chief Internal Auditor), Jennifer Norman (Committee Officer), Simon Russell (Head of Democratic Services and Monitoring Officer) and Ross Sutton (Head of Financial Reporting).

**In attendance:**

Paul Cummins (Independent Person), Mariska Marais (Deloitte), Neal Robinson (Independent Person) and Ben Sheriff (Deloitte)

**Also in attendance (remotely, via Microsoft Teams):**

Oliver Dixon (Lawyer and Data Protection Officer) and Darren Wells (Grant Thornton)

**30 Minutes**

The minutes of the meeting held on the 9 September 2024 were submitted and approved, and the Chair was authorised to sign them as an accurate record.

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

Apologies for absence were received from Councillors Olivia Honeyman and James Meek. It was declared that Councillor Christine Brett would be acting as Substitute for Councillor Honeyman for the duration of the meeting.

**32 Declarations of interest**

There were none.

**33 Urgent items**

There were none.

**34 Written questions from Councillors**

There were none.

**35 The External Auditor's Report on the 2020/21 Statement of Accounts (Backstop)**

The Committee considered the Independent Auditor's (Deloitte) report on the 2020/21 Statement of Accounts and its key findings, as set out in Appendix A, and the review of the Council's Draft 2020/21 financial statements, as set out in Appendix B.

The Deputy Chief Finance Officer (DCFO) welcomed Mr Sheriff (Deloitte) and Ms Marais (Deloitte) to the meeting.

The DCFO summarised the report, highlighting the current backstop arrangements and the Letter of Representation for 2020/21, as set out in Appendix C.

Discussions included audit opinion, value for money, backstop guidance and resource challenges.

**Resolved:**

1. That the audit findings report 2020-21 and the disclaimer of audit opinion due to backstop 2020-21 detailed in Appendix A, be noted;
2. That authority be delegated to the Chair of the Audit and Governance Committee, in consultation with the Director of Finance and Performance (S151 Officer), to sign-off the audited LDC 2020/21 Statement of Accounts, as set out in Appendix B;
3. That authority be delegated to the Chair of the Audit and Governance Committee, in consultation with the Director of Finance and Performance (S151 Officer), to sign-off the 2020/21 Annual Auditor Report once it is available; and
4. That the Director of Finance and Performance (S151 Officer) be authorised to sign the formal Letter of Representation to Deloitte.

**36 External Audit Update**

The Committee received the report which provided an update on progress to complete the external audit of outstanding draft financial statements for years 2020/21, 2021/22, 2022/23 and 2023/24 and expectations for completion of audits for years 2024/25 to 2027/28.

The Deputy Chief Finance Officer (DCFO) summarised the report, providing an update on the current external backstop arrangements, as set out in paragraph 3.

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

**37 Treasury Management 2024/25 Q2**

The Committee received the report which provided details regarding the Q2 Treasury Management Activity for the period April to September 2024.

**Resolved:**

That it be noted that the Q2 Treasury Management activity for the period April to September 2024 had been in accordance with the approved Treasury Strategies.

**38 Annual report on Covert Surveillance Management**

The Committee received a report which provided Members with an overview of the Council's use of covert surveillance powers between September 2023 and September 2024 and information on the most recent external inspection of surveillance governance arrangements.

The Counter-Fraud Investigations Manager (and RIPA Monitoring Officer) summarised the report, highlighting that all of the recommendations by the Investigatory Powers Commissioner's Office, as set out in paragraph 6.1, had been fully and properly implemented

Discussions included the use of covert surveillance as an investigative tool, the use of covert surveillance powers between September 2023 and September 2024, and fly tipping.

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

**39 Internal Audit and Counter Fraud Report for the first half of the financial year 2024-2025 - 1st April 2024 to 30th September 2024**

The Committee received the report which provided a summary of the activities of Internal Audit and Counter for the first quarter of the financial year 2024/25 - 1 April 2024 to 30 September 2024.

The Chief Internal Auditor (CIA) summarised the report, with discussions including grounds maintenance, contract monitoring and resource constraints.

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

**40 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) summarised the report, with discussions including the process of how the SRR is reviewed by CMT, the role of Cabinet in the process and Strategic Risk 28 (SR\_028), as set out in Appendix A.

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

**41 Date of next meeting**

It was noted that the next meeting of the Audit and Governance Committee was currently scheduled to be held on in Room 209/210 on the Second Floor, Marine Workshops, Railway Quay, Newhaven, East Sussex, BN9 0ER, commencing at 5:00pm, on a date to be conformed (TBC).

The meeting ended at 6:44pm.

Councillor Stephen Gauntlett (Chair)