

## **Audit and Governance Committee**

**Minutes of meeting as a remote meeting on 26 November 2020 at 6.00 pm.**

**Present:**

Councillor Dean Sabri (Chairman).

Councillors Robin Maxted (Deputy-Chair), Sammy Choudhury, Paul Metcalfe, Md. Harun Miah and Barry Taylor.

**Officers in attendance:**

Ola Owolabi (Deputy Chief Finance Officer (Corporate Finance)), Jackie Humphrey (Chief Internal Auditor) and Elaine Roberts (Committee Officer).

**Also in attendance:**

Councillor Robert Smart (minutes 21 and 22)  
Ben Sheriff (External Auditor - Deloitte).

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

Apologies were received from Councillor Helen Burton and Councillor Amanda Morris.

**17 Declarations of Disclosable Pecuniary Interests (DPIs) by members as required under Section 31 of the Localism Act and of other interests as required by the Code of Conduct.**

There were none.

**18 Minutes**

The minutes of the last meeting on 9 September 2020 were approved as a correct record.

**19 Questions by members of the public.**

The Chair confirmed that no questions had been received.

**20 Urgent items of business.**

There were no items of urgent business

**21 Right to address the meeting/order of business.**

The Chair confirmed that one request had been received from Councillor Smart, who then addressed the Committee in respect of Item 8 on the agenda,

the External Audit 2018/19, within the allotted time of 5 minutes.

The Chair thanked Councillor Smart for his comments and with the Committee's agreement, the order of Items 7 and 8 were swapped, so that the External Audit became the next Agenda item.

## **22 External Audit Report 2018/19 and 2019/20**

The Deputy Chief Finance Officer, Ola Owolabi, presented a report summarising the key findings of Deloitte.

The Deputy Chief Finance Officer confirmed that, having now resolved and agreed an accounting treatment for ICE (Investment Company Eastbourne), the External Auditor would be issuing an unqualified audit opinion on the Council's financial statement for 2018/2019.

Due to the impact of CV-19, regulations had stipulated a new timeframe for the 2019/20 Audit – extending the sign-off date from July to Nov 2020. The Deputy CFO reported that the 2019/20 accounts had been submitted to the Deloitte as the Council's appointed External Auditor and it was now waiting to be advised of the timing for the 2019/20 audit from Deloitte.

Ben Sheriff from Deloitte then proceeded to present the report on behalf of the External Auditor.

The Chair thanked the External Auditor and Deputy CFO for their presentations and the Committee considered the report.

Deputy CFO clarified the revised accounting treatment of the reserves and confirmed that, in line with a recommendation from the external auditor, a policy would be put in place to explain each of the Council's reserves and how they could be used.

The External Auditor stated that work could not begin on auditing 2019/20 accounts until after January 2020. The reasons given for the delay included: the impacts of CV-19, resolution of issues around ICE, and annual workload peaks.

The Committee raised concerns over the potential delays for 2019/20, of missing the statutory deadline and the potential consequence of delays for the 2020/21 Accounts.

The Deputy CFO confirmed that the 2019/20 accounts had been submitted to Deloitte in July 2020.

The External Auditor confirmed that an initial review of the 2019/20 draft accounts showed improved readiness.

While appreciating the issues cited by the External Auditor, the Committee expressed the view that the improved readiness, the agreement of the

treatment for ICE accounting, and the fact that the draft Accounts (saving the Group Accounts regarding ICE) had been with Deloitte since July 2020, led Members to believe that an expectation for a swift External Accounting was reasonable.

The Chair thanked the External Auditor for his attendance

**Resolved (unanimously):**

1. To note the ISA-260 Audit Report from Deloitte.
2. To call upon Deloitte to produce the ISA-260 audited statement for 2019/2020 in time for the next Audit and Governance Committee meeting on 3 March 2021.

**23 Internal Audit and Counter Fraud Quarterly Report**

Chief Internal Auditor, Jacki Humphrey, presented the report and provided an overview of activities of the Internal Audit and Counter Fraud Teams for the last quarter.

The Committee then considered the report.

The Chief Internal Auditor confirmed that any cases of Fraud identified by the Council would be investigated and the Council would always seek redress.

**Resolved (unanimously):**

To note the report.

**24 AOB**

The Chair noted that an emailed letter had been received from the LGA in response to a letter sent by the Chair, on behalf of the Committee, raising concerns over the External Audit and the PSAA. All members confirmed that they had received the circulated copy.

**25 Date of next meeting**

The next meeting was scheduled for Wednesday 3 March 2021 at 6pm, to take place remotely via Teams.

The meeting ended at 7.08 pm

Councillor Dean Sabri (Chairman)