

Audit and Standards Committee

Minutes of the meeting held in the Ditchling and Telscombe Rooms, Southover House, Southover Road, Lewes, BN7 1AB, on 14 March 2022 at 10:00am

Present:

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

Officers in attendance:

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

Also in attendance (remotely, via Microsoft Teams):

Niren Ramkhelowon (Deloitte) and Ben Sheriff (Deloitte)

47 Minutes

The minutes of the meeting held on 17 January 2022 were submitted and approved, and the Chair was authorised to sign them as a correct record.

48 Apologies for absence/declaration of substitute members

Apologies for absence were received from Councillor Sean MacLeod and the Council's Chief Finance Officer, Homira Javadi.

49 Declarations of interest

There were none.

50 Urgent items

There were none.

51 Written questions from councillors

There were none.

52 External Audit Updates 2018/19 and 2019/20

The Committee received a verbal update from the Deputy Chief Finance Officer (DCFO) and the Council's External Auditors, Deloitte, in respect of the External Audit of the 2018/19 and 2019/20 Statement of Accounts.

The DCFO welcomed representatives from Deloitte, Mr Sheriff and Mr Ramkhelowon, via Microsoft Teams.

The DCFO reminded the Committee that the report it considered at its meeting on 27 September 2021 in respect of the External Audit of the 2018/19 Statement of Accounts and ISA260 only provided approximately half of the items being reviewed and if any further update was required, the Council's External Auditors would provide an update to the Committee. The DCFO explained that in addition to the update in respect of the External Audit of the 2018/19 Statement of Accounts, an update on the 2019/20 Statement of Accounts would also be provided by Deloitte.

Mr Sheriff explained that during the previous update provided to the Committee, open queries remained in respect of questions relating to valuation with Officers and the External Valuer. He further explained that the External Valuer had agreed some of the numbers were not fully supported and that there would be an adjustment, and he confirmed that all other open queries had been resolved satisfactorily.

Mr Sheriff confirmed that Deloitte was in the process of signing off the accounts as it was in the process of closing out procedures and questions relating to the External Audit of the 2018/19 Statement of Accounts.

Mr Sheriff highlighted that Deloitte was in the beginning stages of the External Audit of the 2019/20 Statement of Accounts and that it had adequate staffing numbers allocated for the remainder of 2022 to catch up on outstanding audits for Lewes District Council and other neighbouring authorities.

The Chair, on behalf of the Committee, expressed dissatisfaction with regard to recent updates from Deloitte relating to the External Audits of the 2018/19 and 2019/20 Statement of Accounts.

The Committee requested anticipated dates of completion for the External Audits for the 2018/19 and 2019/20 Statement of Accounts. Mr Sheriff explained that Deloitte had anticipated signing off the 2018/19 Statement of Accounts by the end of March 2022. With respect to the 2019/20 Statement of Accounts, it depended on what issues arose over the coming weeks, but that the 2019/20 Statement of Accounts were anticipated to be signed off between June to August 2022.

Discussions included the pace of completion for the External Audit of the 2019/20 Statement of Accounts, procurement and the scale of fees set by the PSAA (Public Sector Audit Appointments), and the anticipated figures for variation of fees in respect of the External Audits of the 2018/19 and 2019/20 Statement of Accounts.

Mr Sheriff highlighted that Deloitte would report back to the Committee with the anticipated figures for variation of fees in respect of the External Audits of the 2018/19 and 2019/20 Statement of Accounts.

The Chair thanked Mr Sheriff and Mr Ramkhelowon for attending the meeting virtually via Microsoft Teams.

Resolved: That the verbal update be noted.

53 Treasury Management Report

Prior to the consideration of this item, the Committee adjourned for a short comfort break.

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

The Deputy Chief Finance Officer (DCFO) summarised the report and its findings, highlighting that the report was normally a quarterly report, but due to the timing of the committee meetings calendar, the update provided was for one month only. As a result, there had been no significant movement.

The Committee queried the schedule of capital expenditures. The DCFO explained that latest capital programme 2022/23 had been agreed by Cabinet, and that a report would be presented at a future meeting of the Committee. The DCFO further explained that in future reports going forward, section 6 would look at performance, but the latest capital programme schedule would also be included.

Resolved:

That it be noted that the Treasury Management activity for the period 1 November to 31 December 2021 has been in accordance with the approved Treasury Strategies.

54 Draft Internal Audit Plan for 2022/23

The Committee considered the report which proposed the Council's internal audit plan for 2022/23.

The CIA presented the report and its findings.

Discussions included clarifications in respect of the household support fund, work in respect of Covid-related schemes and audit of the Crisis Management/Emergency Plan.

The Vice-Chair highlighted concerns relating to the lack of a detailed business continuity plan in respect of the audit of the Crisis Management/Emergency Plan, as referenced in Appendix B. The CIA confirmed that Officers were working on a detailed business continuity plan.

The Vice-Chair further highlighted concerns in respect of outstanding audit points and increased cyber-security threats. He requested that these matters

be taken into account and included in future business continuity plans. The CIA confirmed that she would look into the matter.

Resolved: That the internal audit plan for 2022/23 be agreed.

55 Internal Audit and Counter Fraud Work Quarterly Report

The Committee received the report which provided a summary of the activities of Internal Audit and Counter Fraud for the three quarters of the financial year 2021-2022: 1 April to 31 December 2021.

The Chief Internal Auditor (CIA) summarised the report and its findings, clarifying that the figures shown in Appendix C in respect of the Right to Buy year totals should have read 252,800 instead of 253,200. The CIA apologised for the error.

The Vice-Chair welcomed the addition of Appendix B and queried whether there was a completion date for the individual points and recommendations. The CIA explained that 3, 6 or 12-month completion dates were given based on what Officers thought was reasonable, but that she followed up every three months regardless. The Vice-Chair further queried whether the indicated completion dates could be included on future reports. The CIA agreed.

The Committee queried whether any reports prior to 2020/21 had any remaining outstanding issues. The CIA confirmed that there were no outstanding issues.

The Committee thanked the CIA for all of her hard work.

Resolved: That the report be noted.

56 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) presented the report and its findings, highlighting the February 2022 review of the SRR by CMT, and the resulting changes as set out in section 3 of the report and Appendix A.

The Committee discussed changing risks in respect of the Covid-19 pandemic, oil prices as they related to bin collection and non-payment of council tax.

Resolved: That the report be noted.

57 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, 4 July 2022, at a location to be confirmed (TBC) in due course.

The meeting ended at 12:05pm.

Councillor Julian Peterson (Chair)