

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 3 July 2023 at 10:00am

Present:

Councillor Stephen Gauntlett (Chair);
Councillors Daniel Stewart-Roberts (Deputy-Chair), Roy Clay (Substitute),
Graham Clews and Charlotte Keenan

Officers in attendance:

Steven Houchin (Interim Deputy Chief Finance Officer, Corporate Finance), Jackie Humphrey (Chief Internal Auditor), Jennifer Norman (Committee Officer, Democratic Services) and Elaine Roberts (Committee Officer, Democratic Services)

1 Election of Deputy-Chair

That Councillor Daniel Stewart-Roberts be elected Deputy Chair of the Audit and Governance Committee for the remainder of the 2023/2024 municipal year.

2 Minutes

The minutes of the meeting held on the 20 March 2023 were submitted and approved and the Chair was authorised to sign them as a correct record.

3 Apologies for absence/declaration of substitute members

Apologies for absence were received from Councillors Cathy Gallagher, Olivia Honeyman and James Meek. It was declared that Councillor Roy Clay would be acting as Substitute for Councillor Meek for the duration of the meeting.

4 Declarations of interest

There were none.

5 Urgent items

There were none.

6 Written questions from councillors

There were none.

7 External Audit progress

The Interim Deputy Chief Finance Officer (IDCFO) provided Members with an update in respect of the previous External Auditor's (Deloitte) progress on the Council's outstanding Statement of Accounts 2019/20, 2020/21 and 2021/22.

The IDCFO provided background information on the delay in publishing financial statements, highlighting that 2019/20 was still outstanding and that Deloitte had yet to commence the draft Statement of Accounts for 2020/21 and 2021/22. He further highlighted that the delay in publishing the Statement of Accounts was not limited to the Council, but rather a longstanding national issue for local authorities across the country.

The IDCFO confirmed that Grant Thornton UK LLP was the Council's newly appointed External Auditor.

The IDCFO summarised factors in the delays, including audit capacity and resources, vacancies, inability to recruit, complexity of report standards and Covid-19.

Discussions included statutory requirements regarding publishing fully audited accounts, the possibility of penalty fees and the outcome of the recommendations made in the independent review by Sir Tony Redmond into the effectiveness of external audit and transparency of financial reporting in local authorities (2020).

Resolved: That the verbal update be noted.

8 Treasury Management Annual Report 2022/23

The Committee considered the Annual Treasury Management report which presented details of Treasury Management activities and the prudential and treasury indicators for 2022/23.

The Interim Deputy Chief Finance Officer (IDCFO) summarised the report.

Discussions included under borrowing, capital sales plan and expenditures, capital receipts and the Council's Treasury Management Consultants, Link Treasury Services.

Resolved: That Full Council be recommended (via Cabinet):

- 1) That the Annual Treasury Management report 2022/23 be approved; and
- 2) That the 2022/23 Prudential and Treasury Indicators included in the report (Section 9.1) be approved.

9 Internal Audit and Counter Fraud report for the financial year 2022-2023 - 1st April 2022 to 31st March 2023

Prior to the consideration of this item, Officers requested and the Chair agreed that Agenda Item 9 (Annual Governance Statement) would be considered following Agenda Items 10 (Internal Audit and Counter Fraud Report for the financial year 2022-2023 - 1st April 2022 to 31st March 2023) and 11 (Strategic Risk Register Quarterly Review).

The Committee received the report which provided a summary of the activities of Internal Audit and Counter for the financial year 2022-2023 from 1 April 2022 to 31 March 2023.

Discussions included audits that are still due follow ups, the business continuity plan, assurance and follow up, and counter fraud and related cost benefits.

Resolved: That the report be noted.

10 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, highlighting that the SRR only comes to a meeting of the Committee if there are elections or changes to the register.

Resolved: That the report be noted.

11 Annual Governance Statement

The Committee considered the report which set out the draft 2022/23 Annual Governance Statement (AGS).

The Chief Internal Auditor (CIA) summarised the report, highlighting the Governance Framework (Appendix 1), the Annual Governance Statement timetable (Appendix 2) and the Managers' Assurance Statements (Appendix 3).

The Chair thanked the CIA for all of the work she had done in relation to the AGS.

Resolved: That the Annual Governance Statement, as set out in Appendix 5, be approved.

12 Date of next meeting

It was noted that the next meeting of the Audit and Governance Committee was scheduled to be held on Monday, 4 September 2023, in Room 209/210 on the Second Floor, Marine Workshops, Railway Quay, Newhaven, East Sussex, BN9 0ER, commencing at 10:00am.

The meeting ended at 11:53am.

Councillor Stephen Gauntlett (Chair)