

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 4 September 2023 at 10:00am

Present:

Councillor Stephen Gauntlett (Chair);
Councillors Daniel Stewart-Roberts (Deputy-Chair), Cathy Gallagher, Olivia Honeyman, Charlotte Keenan and James Meek

Officers in attendance:

Oliver Dixon (Lawyer and Data Protection Officer), Jackie Humphrey (Chief Internal Auditor), Jennifer Norman (Committee Officer, Democratic Services), Simon Russell (Head of Democratic Services and Monitoring Officer), Joanne Stone (Principal Planning Solicitor) and Ross Sutton (Head of Financial Reporting)

13 Minutes

The minutes of the meeting held on the 3 July 2023 were submitted and approved and the Chair was authorised to sign them as a correct record.

14 Apologies for absence/declaration of substitute members

An apology for absence was received from Councillor Graham Clews.

15 Declarations of interest

There were none.

16 Urgent items

There were none.

17 Written questions from councillors

There were none.

18 External Audit progress

The Head of Financial Reporting (HFR) and the Council's former External Auditors (Deloitte) provided Members with an update in respect of Deloitte's progress on the Council's outstanding Statement of Accounts 2019/20, 2020/21 and 2021/22.

The HFR explained that the primary outstanding issue on the Statement of Accounts 2019/20 was the valuation of Council dwellings, highlighting that the main audit adjustments and some disclosure amendments had been agreed between the Council and Deloitte, subject to final audit reviews by Deloitte. He highlighted that the outstanding Statement of Accounts 2019/20 should be completed in November 2023 and that preliminary work on the outstanding Statement of Accounts 2020/21 had already begun.

Mr Sheriff (Deloitte) expanded on comments made by the HFR, highlighting that the principal focus was currently on the property valuation and how the Council tracked valuation movement. He further highlighted that Council Officers were working with Deloitte on the outstanding issues, but that changes from the old to new valuer had exacerbated the current position.

Mr Sheriff explained that small queries were currently being resolved and Deloitte's primary focus was on the completion of the oldest audits, which was a national focus for all audit firms.

Further discussions included valuation of Council owned properties, reserves and capital adjustment account, componentisation and provision methodology in relation to council tax and business rate areas.

Resolved: That the verbal update be noted.

19 Updating and alignment of Scheme of Delegations to Officers

The Committee considered the report which proposed an aligned and updated Scheme of Delegations to Officers as set out in Appendix 1.

The Monitoring Officer (MO) explained that the Scheme of Delegations to Officers was an operational document used by Council Officers to complete their day-to-day tasks. Prior to being brought to the Committee, the current Scheme had gone through an extensive review process by the Corporate Management Team, the Senior Management Forum and a cross-party Constitutional Working Group.

The MO further explained that as a result of the extensive and detailed review process, slight changes were proposed and made to align and update the Scheme as set out in Appendix 1.

The MO noted that the process of reviewing the Scheme of Delegations to Officers was a reflective and rewarding experience and he thanked the Council's Lawyer and Data Protection Officer for all his hard work.

The Council's Lawyer and Data Protection Officer (DPO) summarised the work which had been done in aligning and updating the Scheme of Delegations to Officers.

The Council's Lawyer and DPO discussed the reasons for aligning and updating the individual Schemes for both Lewes District and Eastbourne Borough Councils.

He highlighted that in 2015 senior management came together and agreed that Officers needed a single and coherent set of delegations to enable the Chief Executive, Directors and Monitoring Officer clarity on what delegated powers they had relating to certain executive powers and Full Council delegations, as the law did not provide a format for those delegations. The Council's Lawyer and DPO further highlighted that the practical consequences in the lack of an aligned and updated Scheme was that of different interpretations by Officers.

The Chair noted that he had been a member of the Constitutional Working Group and the proposed aligned and updated Scheme of Delegations to Officers had been through a thorough review, and that the detail of the review was considerable.

Further discussions included executive functions, powers delegated to Regeneration and Planning, periodic reviews of the Scheme and training Officers on the Scheme.

The Chair thanked the Monitoring Officer and the Council's Lawyer and DPO for their extensive work on the Scheme of Delegation to Officers.

Resolved:

- (1) That Cabinet be recommended to approve the updated and aligned Scheme of Delegations to Officers (executive functions only) as set out in Appendix 1; and
- (2) That Full Council be recommended to approve the updated and aligned Scheme of Delegations to Officers (council functions only) as set out in Appendix 1.

20 Treasury Management

The Committee received the report which provided details regarding the Treasury Management Activity for the period 1 April to 30 June 2023.

The Head of Financial Reporting (HFR) summarised the report, confirming that all Treasury Management Activity was in compliance with the approved Treasury Strategies.

The HFR highlighted that there had been meetings recently with the Relationship Manager of Lloyds Bank regarding the possibility of investing more money in green and social projects. He further highlighted that discussions were held regarding the ethical standings and considerations regarding areas such as fossil fuels and tax evasions, and that he would bring back further details of these discussions to the next meeting of the Committee.

Further discussions included ESG investments, the appointment of Link Asset Services as the Council's Treasury Management advisors, the Capital Programme and the Council's investments.

The Chair thanked the HFR.

Resolved: That it be noted that the Treasury Management activity for the period of 1 April to 30 June 2023 has been in accordance with the approved Treasury Strategies.

21 Internal Audit and Counter Fraud report for the first quarter of the financial year 2023-2024 - 1st April 2023 to 30th June 2023

The Committee received the report which provided a summary of the activities of Internal Audit and Counter for the financial year 2023/24 - 1 April 2023 to 30 June 2023.

The Council's Chief Internal Auditor (CIA) summarised the report, noting that the first quarter of the financial year historically did not contain a lot to report on.

The CIA highlighted that after nine-month vacancy on the Council's Audit team, a new member of staff had been recruited and would begin their role on 11 September 2023.

Discussions included outstanding recommendations and responses from managers, counter fraud and fraud prevention.

Resolved: That the report be noted.

22 Date of next meeting

It was noted that the next meeting of the Audit and Governance Committee was scheduled to be held on Monday, 13 November 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 11:48am.

Councillor Stephen Gauntlett (Chair)