

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 March 2024 at 10:00am

Present:

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

Officers in attendance:

Steven Houchin (Deputy Chief Finance Officer), Jackie Humphrey (Chief Internal Auditor), Lorraine Marley (Audit Manager), Jennifer Norman (Committee Officer, Democratic Services) and Ross Sutton (Head of Financial Reporting)

Also in attendance remotely, via Microsoft Teams:

Ben Sheriff (Deloitte)

35 Minutes

The minutes of the meeting held on the 13 November 2023 were submitted and approved and the Chair was authorised to sign them as a correct record.

36 Apologies for absence/declaration of substitute members

There were none.

37 Declarations of interest

There were none.

38 Urgent items

There were none.

39 Written questions from councillors

A written question was received from the Chair in respect of the timeline for sign off of the Statement of Accounts 2019/20. This was addressed by Officers as set out in Minute 40.

40 External Audit progress

The Council's Deputy Chief Finance Officer (DCFO) and the Council's 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 DCFO, on behalf of the Chair and the Committee, welcomed Ben Sheriff (Deloitte) to the meeting.

In response to the written question received from the Chair, the DCFO explained that there was a particular emphasis on the completion of the oldest external audit, with Deloitte and Council Finance staff supporting the completion of the Statement of Accounts 2019/20. The Audit was very near completion, with the final substantive item relating to reinforced Autoclaved Aerated Concrete (RAAC) having been completed over recent weeks.

Following completion of the RAAC inspection programme and final substantive queries, the Council had received the draft ISA 260 from Deloitte. The ISA 260 was still in draft form as a result of there being a small number of outstanding items related to an update of the fixed asset register and the disclosure on material uncertainty.

The DCFO highlighted that as a result of the ISA 260 still being in draft format, the Statement of Accounts 2019/20 were not ready to be presented to the Committee at this meeting, but they would be presented to Members in the coming weeks.

He further highlighted that he would be liaising with the Chair and Committee Officer to arrange a special meeting before the next scheduled meeting of the Committee on 1 July 2024, in order for Members to review the Statement of Accounts 2019/20 and raise any questions before the Accounts were approved.

In addition, the DCFO provided an update on the national picture, explaining that the work to progress the subsequent audits was now subject to a consultation process launched by the Minister for Local Government on 8 February 2024, with the intention to clear the national backlog of historic local government audits. The consultation also sought views on proposed legislative changes to the Accounts and Audits Regulations 2015.

The DCFO set out a phased approach to clear the backlog of the Council's audits, highlighting key dates of completion through 2027/28.

Mr Sheriff summarised points raised by the DCFO, reiterating the responsibilities of the local auditors and reviewing key dates of completion through 2027/28.

Further discussions included questions surrounding the consultation, the abolition of the Audit Commission and publication of the draft accounts for inspection.

Resolved: That the verbal update be noted.

41 Treasury Management

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

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

42 Data Analytics Strategy for Internal Audit

The Committee received the report which set out the new Data Analytics Strategy for Internal Audit.

Resolved: That the Data Analytics Strategy, as set out in Appendix A, be noted.

43 Draft Internal Audit Plan 2024/25

The Committee considered the report which proposed the Council's Internal Audit Plan for 2024/25.

The Chief Internal Auditor (CIA) summarised the report, highlighting that the Audit Plan was indicative and that any subsequent changes to the Plan would be brought back to the Committee for review.

Resolved: That the Internal Audit Plan for 2024/25 as set out in Appendix B, be agreed.

44 Internal Audit and Counter Fraud report for the three quarters of the financial year 2023-2024 - 1st April 2023 to 31st December 2023

The Committee received the report which provided a summary of the activities of Internal Audit and Counter for the three quarters of the financial year 2023/24 - 1 April 2023 to 31 December 2023.

The Council's Chief Internal Auditor (CIA) summarised the report, noting that the amount of work coming through the department was increasing, but that she was pleased to report that the Audit team was now fully staffed.

Resolved: That the report be noted.

45 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 an entry had been added to the Internal Controls column of risk SR_022

“Changes to the economic environment makes the Council less stable” as set out in Appendix A. The CIA clarified, however, that the risk was labelled as SR_002 in paragraph 3.3 of the report but should have been labelled SR_022 to correctly reflect what was shown in Appendix A.

Resolved: That the report be noted.

46 Date of next meeting

It was noted that the next meeting of the Audit and Governance Committee was scheduled to be held on Monday, 1 July 2024, in Room 209/210 on the Second Floor, Marine Workshops, Railway Quay, Newhaven, East Sussex, BN9 0ER, commencing at 5:00pm.

The meeting ended at 11:28am.

Councillor Stephen Gauntlett (Chair)