

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 9 September 2024 at 5:00pm

Present:

Councillor Stephen Gauntlett (Chair);

Councillors Daniel Stewart-Roberts (Deputy-Chair), Graham Clews, Ezra Cohen (Substitute) and Olivia Honeyman

Officers in attendance:

Jackie Humphrey (Chief Internal Auditor), Jennifer Norman (Committee Officer) and Ross Sutton (Head of Financial Reporting)

Also in attendance remotely, via Microsoft Teams:

Ben Sheriff (Deloitte) and Mariska Marais (Deloitte)

21 Minutes

The minutes of the meeting held on the 5 August 2024 were submitted and approved, and the Chair was authorised to sign them as an accurate record.

22 Apologies for absence/declaration of substitute members

Apologies for absence were received from Councillors Charlotte Keenan and James Meek. It was confirmed that Councillor Ezra Cohen was acting as Substitute for Councillor Meek for the duration of the meeting.

23 Declarations of interest

There were none.

24 Urgent items

There were none.

25 Written questions from councillors

There were none.

26 External Audit update

The Committee received the report, which provided an update on progress in respect of the External Audit of outstanding draft financial statements for years

2020/21, 2021/22, 2022/23 and 2023/24, and expectations for completion of Audits for years 2024/25 to 2027/28.

The Head of Financial Reporting (HFR), on behalf of the Chair and the Committee, welcomed Ben Sheriff (Deloitte) and Mariska Marais (Deloitte) to the meeting.

The HFR summarised the report, clarifying that the date indicated in the last sentence of paragraph 4.1 should read 28 February 2025, and that the reference to Appendix C in paragraph 4.3 was an error.

Mr Sheriff discussed Deloitte's intended plan for the completion of audits for years 2020/21, 2021/22, and 2022/23, as set out in Appendix B.

Mr Sheriff highlighted the Minister's intention to lay secondary legislation to provide for an initial backstop date of 13 December 2024 for the completion of all outstanding audits up to the financial year 2022/23. He indicated that the proposed backstop date would result in modifications or disclaimers of the audit opinion for many local authorities.

As a result, the Council would be required to publish its unaudited accounts for financial years 2020/21, 2021/22 and 2022/23, giving time for the required 30-day Public Inspection Period and for External Auditor to give its opinion on those accounts by the 13 December 2024. It was noted that it might be necessary to move the next meeting of the Committee to December or hold an additional meeting, to meet this deadline.

The Chair asked for the Officers' and Deloitte's opinions, as to their level of confidence in the indicated timelines.

On behalf of the Council, Officers confirmed that as always and given adequate resources, Officers would continue to endeavour to meet all deadlines.

Mr Sheriff indicated that although Deloitte had originally obtained adequate staff support for August and September 2024, additional challenges had continued to arise as the deadlines approached. Deloitte's critical concern being that the accounts up to 2022/23 were not yet published. If any objections were received, there were statutory periods of time for these objections to be considered.

Further discussions included publication of the 2023/24 draft financial statements, external audit backstop update, the audit of the 2023/24 financial statements and implications of missing upcoming deadlines. The timeline for future audits and backstop dates for the years 2024/25 to 2027/28 were also discussed, as set out in Paragraph 5 of the report.

Following discussions, the Chair requested that the Director of Finance and Performance be invited to the next meeting of the Committee, so that Members could better understand the details of any related resource implications in

respect of the completion of all outstanding External Audits. Officers agreed that the Director be requested to attend.

Resolved: That the report be noted.

27 Treasury Management 2024/25 Q1

The Committee received the report which provided details regarding the Treasury Management Activity for the period April to June 2024.

Resolved:

That it be noted that the Treasury Management activity for the period April to June 2024 had been in accordance with the approved Treasury Strategies.

28 Internal Audit and Counter Fraud report for the first quarter of the financial year 2024-2025 - 1st April 2024 to 30th June 2024

The Committee received the report which provided a summary of the activities of Internal Audit and Counter for the first quarter of the financial year 2024/25 - 1 April 2024 to 30 June 2024.

Resolved: That the report be noted.

29 Date of next meeting

It was noted that the next meeting of the Audit and Governance Committee was currently scheduled to be held on Monday, 11 November 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 6:25pm.

Councillor Stephen Gauntlett (Chair)