

## **Audit and Standards Committee**

**Minutes of the meeting held in the Ditchling and Telscombe Rooms, Southover House, Southover Road, Lewes, BN7 1AB, on 17 January 2022 at 10:00am**

**Present:**

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

**Officers in attendance:**

Jennifer Norman (Committee Officer, Democratic Services)  
Ola Owolabi (Deputy Chief Finance Officer, Corporate Finance)

**39 Minutes**

The minutes of the meeting held on 15 November 2021 were submitted and approved, and the Chair was authorised to sign them as a correct record, subject to the amendment of Minute No 37 to include the following text:

*The Vice-Chair requested that the schedule of capital outlays to keep capital in reserve be included in future Treasury Management reports to be reviewed by the Committee. Officers agreed.*

**40 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.

**41 Declarations of interest**

There were none.

**42 Urgent items**

There were none.

**43 Written questions from councillors**

There were none.

**44 Arrangements for Appointing External Auditors**

The Committee considered the report which outlined the timeline and options available to the Council in appointing an External Auditor when the current arrangements reach their end.

The Deputy Chief Finance Officer (DCFO) presented the report and its findings, explaining in detail the three options that were available and associated risks in respect of the Council appointing its External Auditor for the five financial years from 2023/24.

The DCFO highlighted that Council officers could write (if the Committee decided) to the Secretary of State to express concerns in relation to the appointment process of External Auditors by the PSAA (Public Sector Audit Authority), following previous communications by senior officers with the Local Government Association (LGA) and the PSAA.

The DCFO further highlighted the 2021 independent review by Sir Tony Redmond into the effectiveness of external audit and transparency of financial reporting in local authorities. In response to the review, the DCFO explained that from 1 April 2023, the only role the PSAA would have in future was the auditor procurement and monitoring contracts, as all other responsibilities would now be undertaken by the Government's newly formed Audit Reporting Governance Authority (ARGA).

Following the presentation of the report by the DCFO, the Chair thanked officers for their continued efforts and hard work, including arranging additional briefing sessions for Members in respect of the PSAA arrangements. The Chair also thanked members of the Committee for their diligence and continued engagement in what had been a lengthy and challenging process.

It was requested that if Option 3 was recommended by this Committee and agreed by Full Council, the members of the Committee had the opportunity to review the officers' letter to the Secretary of State prior to its official submission. In addition, it asked that assurance be given by the PSAA that it had noted the Councils' request for a different auditor and would continue to monitor the completion of the outstanding audits. The DCFO agreed.

The Committee queried if Deloitte, the Council's External Auditor, had begun the 2019/20 audit. The DCFO explained that Deloitte had not yet begun the Council's 2019/20 audit, and that he would request that Deloitte attend the Committee's next meeting on 14 March 2022 to provide an update and an audit plan.

The Committee asked whether the Council should submit a press release in respect of its discussions surrounding the appointment of its External Auditor. The DCFO confirmed he could liaise with the Council's Press Officer after the Council decision, and could circulate a copy in draft to members of the Committee.

The Committee agreed to recommend option 3, to join the PSAA's sector led national scheme, as members of the Committee felt that there were no other viable options due to the possible unacceptable risks and potential costs to the Council.

**Resolved:**

That Full Council be recommended to approve the Committee's decision to accept Public Sector Audit Appointments' (PSAA's) invitation to opt into the sector-led option for the appointment of external auditors from 1 April 2023, as set out in Option 3 in paragraph 3.3 of the report.

**45 Treasury Management**

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 some changes to prudential indicators, as set out in section 6 of the report.

It was asked if the schedule of capital outlays to keep capital in reserve could be included in future Treasury Management reports to be reviewed by the Committee. The DCFO agreed and explained that in the meantime he would liaise with the Committee Officer in order to circulate a spreadsheet to Committee members which contained detailed breakdown of the capital programme.

The Committee queried whether the breakdown of the capital programme would show planned developments in respect of capital expenditure for Lewes Housing and Aspiration Homes, including the current forecast. The DCFO explained that Lewes Housing and Aspiration Homes would not be included, as they were separate entities and had separate programmes.

**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.

**46 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, 14 March 2022, in the Ditchling and Telscombe Rooms, Southover House, Southover Road, Lewes, BN7 1AB.

The meeting ended at 10:52am.

Councillor Julian Peterson (Chair)