

## AUDIT COMMITTEE

MINUTES of a meeting of the Audit Committee held at Council Chamber, County Hall, Lewes on 19 September 2025.

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PRESENT Councillors Gerard Fox (Vice Chair), Matthew Beaver, Stephen Holt, Philip Lunn and Georgia Taylor

LEAD MEMBERS Councillor Nick Bennett

ALSO PRESENT Ros Parker, Chief Operating Officer  
Ian Gutsell, Chief Finance Officer  
Russell Banks, Chief Internal Auditor  
Nigel Chilcott, Audit Manager  
Sophie Webb, Governance and Democracy Manager  
  
Ella Connick, Grant Thornton UK LLP  
Parris Williams, Grant Thornton UK LLP

### 13. MINUTES OF THE PREVIOUS MEETING

13.1 The Committee RESOLVED to agree the minutes of the meeting held on 4 July 2025 as a correct record.

### 14. APOLOGIES FOR ABSENCE

14.1 Apologies for absence were received from the Chair, Councillor Swansborough. Councillor Fox, the Vice Chair, took the Chair for the meeting.

### 15. DISCLOSURES OF INTERESTS

15.1 There were no disclosures of interest.

### 16. URGENT ITEMS

16.1 There were none.

### 17. REPORTS

17.1 Reports referred to in the minutes below are contained in the minute book.

### 18. EXTERNAL AUDITOR'S REPORT TO THOSE CHARGED WITH GOVERNANCE AND ANNUAL REPORT 2024/25

18.1 The Committee considered a report by the Chief Finance Officer which presented the draft External Auditor's report on the 2024/25 East Sussex Pension Fund Accounts.

18.2 Ella Connick from Grant Thornton UK LLP (GT) gave an update to the Committee highlighting that all outstanding work has been completed and there are no matters to be brought to the Committee's attention. The management approach to other findings – key judgements and estimates have been considered appropriate. There is an understatement of level 3 investments however the understatement is significantly below the materiality threshold and no underlying control issues were identified. One recommendation has been made regarding recording of a small sum (approximately £1k) held in an HSBC bank account in the general ledger. It is anticipated that an unqualified audit opinion will be issued.

18.3 The Committee discussed the ongoing challenges around misstatement of level 3 investments and noted that assurance around level 3 investments will likely change in relation to the change to pooling resulting from pension reforms.

18.4 The Committee noted that the Pension Committee will consider the accounts for the East Sussex Pension Fund ahead of the Governance Committee approving the accounts for both the County Council and Pension Fund together at its meeting in February.

18.5 The Committee RESOLVED to note the draft External Auditor's report to those charged with governance of the East Sussex Pension Fund Accounts 2024/25.

#### 19. INTERNAL AUDIT PROGRESS REPORT - QUARTER 1 (01/04/25 - 30/06/25)

19.1 The Committee considered a report by the Chief Operating Officer which set out the internal audit and counter fraud activity completed during quarter 1.

19.2 The Committee discussed the two audits which received a partial assurance opinion in relation to Home Care Contract Management and Home to School Transport and the potential for management in these areas to attend the next meeting of the Audit Committee to update on improvement action being taken.

19.3 The Committee discussed the amber performance rating against the 'audit days delivered' target and noted that maternity leave within the internal audit team has resulted in a slight decrease in days delivered. However, planned contingency time and utilisation of resources across the Orbis Internal Audit partnership should help to mitigate this shortfall during the remainder of the year.

19.4 The Committee RESOLVED to:

1) note the report;

2) request that a report into the Home Care Contract Management audit which received a partial assurance opinion is presented by the Director of Adult Social Care and Health for consideration in November 2025; and

3) request that a report into the Home to School Transport audit which received a partial assurance opinion is presented by the Director of Children's Services and Director of Communities, Economy and Transport for consideration in November 2025.

#### 20. GLOBAL INTERNAL AUDIT STANDARDS SELF-ASSESSMENT AND QUALITY ASSURANCE AND IMPROVEMENT PLAN

20.1 The Committee considered a report by the Chief Operating Officer which set out the results of the Internal Audit Service's self-assessment against the new Global Internal Audit

Standards along with details of any actions arising, as set out with the Service's ongoing Quality Assurance and Improvement Plan and an updated Internal Audit Charter.

20.2 The Chief Internal Auditor highlighted that since 1 April 2025, the previous Public Sector Internal Audit Standards (PSIAS) were replaced with new Global Internal Audit Standards (GIAS), supported by the Chartered Institute of Public Finance and Accountancy (CIPFA) 'Application Note – Global Internal Audit Standards in the UK Public Sector'. A comprehensive self-assessment has been completed and a Quality Assurance and Improvement Plan (QAIP) summarised all the actions arising from the self-assessment with all but 2 actions completed or in progress. Of the 2 actions listed as outstanding in Appendix B of the report, action 11 has now been completed. Internal audit consider that they are fully compliant with the GIAS and will be independently assessed for compliance in the next few years. The Internal Audit Charter has been updated in relation to the GIAS.

20.3 The Committee RESOLVED to:

1) note the results of the self-assessment against the new Global Internal Audit Standards and the resulting Quality Assurance and Improvement Plan; and

2) note the updated Internal Audit Charter.

## 21. CIPFA FINANCIAL MANAGEMENT CODE

21.1 The Committee considered a report by the Chief Finance Officer which provided annual overview of Financial Management Code compliance.

21.2 The Committee noted that despite the challenges in relation to the use of a new accounting system, the Council scored compliant for all 15 compliance statements within the self-assessment and that the Chartered Institute of Public Finance and Accountancy (CIPFA) are in the final stages of completing a resilience and governance review in light of the financial challenges of the Council and that this report will be considered by Cabinet in the autumn.

21.3 The Committee discussed the Transparency score which comprises compliance statements regarding developing a long-term financial strategy and medium term financial plan and annual budget and option appraisal methodology to demonstrate the value for money of its decisions and how compliance in these areas can be improved noting the complexity around long term financial modelling and demonstrating value for money having regard to external factors such as inflation.

21.4 The Committee RESOLVED to note the annual overview of Financial Management Code compliance.

## 22. STRATEGIC RISK MONITORING - QUARTER 1 2025/26

22.1 The Committee considered a report by the Chief Operating Officer which presented current strategic risks faced by the Council, their status and risk controls and responses together with the current Risk Management process.

22.2 The Committee noted that the risk around cyberattack remains as one of the most significant risks to the Council.

22.3 The Committee RESOLVED to:

1) note the process of strategic risk management; and

2) note the current strategic risks and the risk controls and responses being proposed and implemented by Chief Officers.

23. WORK PROGRAMME

23.1 The Committee considered its current work programme of forthcoming items.

23.2 The Committee RESOLVED to note the programme.

The meeting ended at 10.52 am.

Chair