

AUDIT COMMITTEE

MINUTES of a meeting of the Audit Committee held at Council Chamber, County Hall, Lewes on 21 November 2025.

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

ALSO PRESENT Ros Parker, Chief Operating Officer
Ian Gutsell, Chief Finance Officer
Russell Banks, Chief Internal Auditor
Simon White, Audit Manager – Counter Fraud
Mark Winton, Audit Manager
Mark Stainton – Director of Adult Social Care and Health
Karl Taylor, Assistant Director – Operations
Louise Carter, Assistant Director (Communication, Planning and Performance)
Sophie Webb, Governance and Democracy Manager

Joanne Brown, Grant Thornton UK LLP

24. MINUTES OF THE PREVIOUS MEETING

24.1 The Committee RESOLVED to agree the minutes of the meeting held on 19 September 2025 as a correct record.

25. APOLOGIES FOR ABSENCE

25.1 Apologies for absence were received from Councillor Holt.

26. DISCLOSURES OF INTERESTS

26.1 There were no disclosures of interest.

27. URGENT ITEMS

27.1 There were none.

28. REPORTS

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

29. AUDITOR'S ANNUAL (VFM) REPORT ON EAST SUSSEX COUNTY COUNCIL 2024/25

29.1 The Committee considered a report by the Chief Finance Officer which presented the External Auditor's report on the County Council's Value for Money arrangements.

29.2 Joanne Brown from Grant Thornton UK LLP (GT) highlighted that only one significant risk was identified under Financial Sustainability which was similarly highlighted in the 2023/24 report. Governance has been RAG rated green and Improving Economy, Efficiency and Effectiveness has been RAG rated amber due to an action which although has progressed, has not fully closed. An external representation was received in relation to value for money which was considered by GT and was not considered material to the overall value for money assessment. GT anticipates that the financial statements audit will conclude before the end of 2025 and will be reported to the Audit Committee in February 2026.

29.3 The Committee discussed the amber rating for Improving Economy, Efficiency and Effectiveness and requested that GT considers if a green rating is a more accurate reflection given that the only outstanding action is nearing closure. GT confirmed that there is satisfactory evidence to amend the rating to green with an explanatory note regarding the outstanding action.

29.4 The Committee discussed the scope of the information considered when GT make their value for money assessment noting that GT look at the Council's own value for money arrangements and how the Council is satisfying itself regarding these arrangements.

29.5 The Committee discussed the Council's commissioning arrangements in relation to value for money and were assured that value for money is achieved through contract negotiation using specialist commissioning frameworks and noted that the Council is part of a regional commissioning pilot in relation to children's services.

29.6 The Committee discussed climate change in relation to the Pension Fund as part of the value for money consideration and GT agreed to consider how this could be addressed as part the 2025/26 value for money report.

29.7 The Committee RESOLVED to note the Auditor's Annual Report on East Sussex County Council 2024/25, prior to it being reported to Cabinet.

30. AUDIT COMMITTEE ORACLE SUBGROUP UPDATE

30.1 The Committee considered a report by the Chief Operating Officer which set out a summary of the discussion at the recent meeting of the Committee's Oracle Subgroup along with a progress update regarding the Oracle Implementation Programme.

30.2 The Committee commended the work so far highlighting the importance of communications and data accuracy in relation to Phase 3 which includes payroll and noted that a 'go-live' date will be proposed once confidence has been achieved through testing.

30.3 The Committee RESOLVED to note that the Committee's Oracle Subgroup has regularly reviewed the Council's Oracle Implementation programme.

31. INTERNAL AUDIT PROGRESS REPORT - QUARTER 2 (01/07/25 - 30/09/25)

31.1 The Committee considered a report by the Chief Operating Officer which set out the internal audit and counter fraud activity completed during quarter 2.

31.2 The Committee discussed the Emergency Planning audit in relation to the action regarding up-to-date contact details enquiring whether elected Members not being on the list of contacts is a weakness in the process and whether consideration was given to emergency responses being effective for both rural and urban areas of the County.

31.3 The Committee discussed the completed fraud investigation in relation to Multiple Employment and noted the reactive and proactive work that the Counter Fraud team undertakes to identify cases of multiple employment.

31.4 The Committee discussed the completed fraud investigation in relation to Failure to Follow Procedures and was assured that no money was lost in the case reported to the Committee however payments were wrongly accounted which led to discrepancies in income receipting.

31.5 The Committee RESOLVED to note the report and confirm there is no further action required in response to the issues raised.

32. RESPONSE TO INTERNAL AUDIT REPORT AND ACTIONS - HOME TO SCHOOL TRANSPORT

32.1 The Committee considered a report by the Director of Communities, Economy and Transport and the Director of Children's Services which provided an update on the Home to School Transport Audit Action Plan.

32.2 The Committee was assured that of the 11 actions identified, 7 have been completed, 2 are anticipated for completion by the end of November 2025 and the remaining 2 actions are anticipated for completion by the end of 2025.

32.3 The Committee discussed the national problem surrounding home to school transport overspend and noted that although demand and increasing costs have resulted in the overspend in the Council's home to school transport budget, the audit found that there were no fundamental weaknesses in control that have resulted in the overspend.

32.4 The Committee discussed the impact of increasing numbers of children with Educational, Health and Care Plans on the home to school transport provision across the county and noted the complexity in optimisation where shared transport is not suitable and long journey times are required to meet individual needs.

32.5 The Committee was advised of the operational working arrangements for teams in both the Communities, Economy and Transport department and Children's Services department in place to foster collaborative and effective working.

32.6 The Committee noted that a follow up on the Home to School Transport audit will be reported to the Committee as part of the Internal Audit quarterly reporting which will set out the progress in addressing the actions identified within the audit.

32.7 The Committee RESOLVED to:

1) note the good practice identified in the audit report; and

2) note the significant progress made within the Audit Action Plan (Appendix 1 of the report), with all outstanding actions on track to be completed in Quarter 3 2025/26.

33. RESPONSE TO INTERNAL AUDIT REPORT AND ACTIONS - HOME CARE CONTRACT MANAGEMENT

33.1 The Committee considered a report by the Director of Adult Social Care and Health which provided an update on the proposals and actions in response to the Home Care Contract Management Audit.

33.2 The Committee discussed the limitations of the system used to record and submit data in relation to Home Care Provider activity and noted that while actions are being implemented to mitigate the risks associated with the system, it is not possible to operate using an alternative system while the current Home Care contract is in place.

33.3 The Committee was reassured that new reporting structure will help to mitigate the issues identified in the audit and that any overpayments identified can be easily corrected and overpayment amounts will be deducted at future payments.

33.4 The Committee RESOLVED to note the actions within the report.

34. CIPFA CODE OF PRACTICE FOR THE GOVERNANCE OF INTERNAL AUDIT IN UK LOCAL GOVERNMENT

34.1 The Committee considered a report by the Chief Finance Officer which set out the results of East Sussex County Council's self-assessment against the new Code of Practice for the Governance of Internal Audit in UK Local Government (the Code), along with any actions arising.

34.2 The Committee discussed the Support for Internal Audit (Section 1.3) in relation to the Committee's communication and feedback arrangements with the Chief Internal Auditor and noted the open and transparent communication between the Audit Committee, Chief Internal Auditor and senior management.

34.3 The Committee RESOLVED to:

- 1) note the results of the self-assessment against the new Code; and
- 2) note the action plan formulated in response.

35. TREASURY MANAGEMENT - STEWARDSHIP REPORT 2024/25 AND MID-YEAR REVIEW 2025/26

35.1 The Committee considered a report by the Chief Finance Officer which presented a review of the Council's performance on Treasury Management for the year 2024/25 and Mid-Year Review for 2025/26.

35.2 The Committee noted that the Council undertook no new borrowing, and the Council has no outstanding non-PWLB (public loans work board) loans including lender option borrower option (LOBO) loans following the repayment of a Barclays Market Loan in quarter 1.

35.3 The Committee RESOLVED to note the Treasury Management performance in 2024/25, incorporating the Mid-Year Review for the first half of 2025/26.

36. WORK PROGRAMME

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

36.2 The Committee agreed that a planning session for the Audit Committee on 13 February 2026 following the meeting of the Audit Committee is to be arranged to ensure that the Internal Audit Strategy and Plan for 2026/27 considers suggestions from the Committee and to provide training regarding the role of Internal Audit.

36.3 The Committee RESOLVED to note the programme.

The meeting ended at 11.39 am.

Chair