

AUDIT COMMITTEE

MINUTES of a meeting of the Audit Committee held at Council Chamber, County Hall, Lewes on 13 February 2026.

PRESENT Councillors Colin Swansborough (Chair), Gerard Fox (Vice Chair), Sam Adeniji, Matthew Beaver, 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
Simon White, Audit Manager – Counter Fraud
Mark Winton, Audit Manager
Rebecca Lewis, Head of Estate Management and Disposal
Grace Addison, Governance and Democracy Officer

Andy Conlan, Grant Thornton UK LLP
Ella Connick, Grant Thornton UK LLP
Raymund Daganio, Grant Thornton UK LLP

37. MINUTES OF THE PREVIOUS MEETING

37.1 The Committee RESOLVED to agree the minutes of the meeting held on 21 November 2025 as a correct record.

38. APOLOGIES FOR ABSENCE

38.1 Apologies for absence we received from Councillor Holt.

38.2 It was noted that Councillor Adeniji was absent for the beginning of the meeting and was present from 10:53 at item 10 (minute 47).

39. DISCLOSURES OF INTERESTS

39.1 There were no disclosures of interest.

40. URGENT ITEMS

40.1 There were none.

41. REPORTS

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

42. INTERNAL AUDIT PROGRESS REPORT - QUARTER 3 (01/10/25 - 31/12/25)

42.1 The Committee considered a report by the Chief Operating Officer which set out the internal audit and counter fraud activity completed during quarter 3.

42.2 The Committee discussed the partial assurance opinions for the Neighbourhood Support Team Cultural Compliance audit and Section 17 Payments audit, and the delivery of audit days in the year. The Committee noted the work undertaken by the Internal Audit team to improve compliance and build capacity.

42.3 The Committee RESOLVED to note the report.

43. EAST SUSSEX COUNTY COUNCIL'S COUNTER FRAUD AND CORRUPTION STRATEGY

43.1 The Committee considered a report by the Chief Operating Officer which provided details of the changes to the Council's Counter Fraud and Corruption Strategy and Framework.

43.2 The Committee discussed the remit of the Anti-Money Laundering policy.

43.3 The Committee RESOLVED to endorse the Council's Counter Fraud and Corruption Strategy and Framework.

44. AUDIT COMMITTEE ORACLE SUBGROUP UPDATE

44.1 The Committee considered a report by the Chief Operating Officer which provided an update to the Audit Committee of the Oracle Subgroup's most recent activity.

44.2 The Committee discussed the programme's progress with Phase 3 which will include Payroll and HR functions and noted the importance of the build quality and resource capacity prior to go-live.

44.3 The Committee discussed Oracle within the context of Local Government Reorganisation and its capacity to process the accounts of segregated companies, and the opportunities for using Artificial Intelligence within Oracle.

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

45. REVIEW OF THE GRANT THORNTON (GT) REPORT TO THOSE CHARGED WITH GOVERNANCE AND STATEMENT OF ACCOUNTS FOR 2024/25

45.1 The Committee considered a report by the Chief Finance Officer which provided an update on the external auditor's audit finding report.

45.2 Andy Conlan from Grant Thornton UK LLP (GT) gave an update to the Committee highlighting that the work is substantially complete, and GT expect to issue an unqualified audit opinion after the meeting of the Governance Committee on 24 February, on receipt of a signed management letter of representation.

45.3 The Committee was informed that the statements received by GT were of good quality and the finance team were responsive to GT's requests to progress the audit.

45.4 The Committee noted that GT have made 3 management recommendations regarding GIA and Land Area Records, formal access reviews for journal posters, and Private Finance Initiative (PFI) Schools Calculation.

45.5 The Committee was informed of a change to the new reporting standard to IFRS 16 which has replaced IAS 17 as the new accounting standard for the recognition of leases. The finance team completed work around this implementation and GT were satisfied that the Council carried out sufficient testing.

45.6 The Committee discussed the transition from the SAP system to Oracle and GT's audit work on the provision of information on the accounts.

45.7 The Committee discussed the valuation of pension liabilities within the context of the effect of climate change on the accounts. GT informed the Committee that they are satisfied that the discount rate is reasonable.

45.8 The Committee discussed the evaluation of land and buildings and were satisfied that valuations are undertaken on a 3 yearly basis.

45.9 The Committee noted that it was Andy Conlan's final committee meeting and thanked Andy for his work over the past 7 years.

45.10 The Committee RESOLVED to:

- 1) Note the report and its appendices; and
- 2) Note that there are no concerns arising from the Independent Auditor's (GT) report or the management response to it, that need to be brought to the attention of the Governance Committee.

46. INDEPENDENT AUDITOR'S REPORT TO THOSE CHARGED WITH GOVERNANCE AND ANNUAL REPORT 2024/25 OF THE EAST SUSSEX PENSION FUND

46.1 The Committee considered a report by the Chief Finance Officer which provided an update of the external auditor's draft audit findings report on the East Sussex Pension Fund.

46.2 The Committee noted that the draft External Auditor's report was reported to the Committee in September and there have been no significant changes since then.

46.3 The Committee noted that the Pension Committee has approved the accounts for the East Sussex Pension Fund.

46.4 The Committee RESOLVED to note the Independent Auditor's (Grant Thornton - GT) report to those charged with governance of the East Sussex Pension Fund Accounts 2024/25.

47. STRATEGIC RISK MONITORING - QUARTER 3 2025/26

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

47.2 The Committee discussed the inclusion of the costs surrounding Local Government Reorganisation and Devolution within Risk 23.

47.3 The Committee discussed the inclusion of infrastructure issues such as water supply and road network on local businesses and the economy within Risk 6.

47.4 The Committee RESOLVED to:

1) Note the process of strategic risk management; and

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

48. PROPERTY SERVICES ANNUAL UPDATE

48.1 The Committee considered a report by the Chief Operating Officer which provided an update on the Council's Property Services in conjunction with the exempt report on Property Disposals later in the agenda.

48.2 The Committee was informed about the progress to assess land and property assets and their uses particularly in light of Local Government Reorganisation, and discussed work being undertaken with the Districts and Borough Councils to understand their portfolios.

48.3 The Committee RESOLVED to note the report.

49. WORK PROGRAMME

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

49.2 The Committee agreed to undertake a skills self-assessment to help identify any gaps in areas in terms of skills and expertise.

49.3 The Committee RESOLVED to agree the self-assessment of effectiveness be included on the Committee's Work Programme.

50. EXCLUSION OF THE PUBLIC AND PRESS

50.1 It was RESOLVED to exclude the public and press for the remaining agenda items on the grounds that if the public and press were present there would be disclosure to them of exempt information as specified in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended), namely information relating to the financial or business affairs of any particular person (including the authority holding that information) and that the public interest in withholding the exempt information outweighed the public interest in disclosing it.

51. PROPERTY DISPOSALS UPDATE

51.1 The Committee considered a report by the Chief Operating Officer which provided exempt information in relation to the disposal of surplus Council assets.

51.2 A summary of the discussion is set out in an exempt minute.

51.3 The Committee RESOLVED to note the exempt report.

The meeting ended at 11.15 am.

Chair