

AUDIT COMMITTEE

MINUTES of a meeting of the Audit Committee held at County Hall, Lewes on 6 July 2021.

PRESENT Councillors Colin Swansborough (Chair) Councillors
Matthew Beaver, Gerard Fox (Vice Chair), Nuala Geary,
Stephen Holt, Matthew Milligan and Georgia Taylor

LEAD MEMBERS Councillor Nick Bennett (via Teams)

ALSO PRESENT Councillor Paul Redstone (via Teams)
Philip Baker, Assistant Chief Executive
Phil Hall, Chief Operating Officer
Ian Gutsell, Chief Finance Officer
Russell Banks, Chief Internal Auditor
Nigel Chilcott, Audit Manager
Mark Winton, IT Audit Manager

1 MINUTES OF THE PREVIOUS MEETING HELD ON 26 MARCH 2021

1.1 RESOLVED to agree the minutes as a correct record.

2 DISCLOSURES OF INTERESTS

2.1 Councillor Beaver declared a personal interest in that a family member was a Senior Finance Officer in the Treasury Management team, but he did not consider this to be prejudicial.

3 REPORTS

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

4 INTERNAL AUDIT ANNUAL REPORT AND OPINION 2020/21

4.1 The Committee considered a report by the Chief Internal Auditor which presented his overall opinion of "reasonable assurance" on the Council's control environment for 2020/21.

4.2 The Committee discussed the audit of Commissioning and Delivery of Property Projects, which had an opinion of minimal assurance (page 28 of the agenda pack). The Chief Operating Officer explained that a robust management action plan had been agreed and implemented. The Committee agreed to receive an update on the action plan from the Assistant Director for Property at the next meeting. A further concern about relationships with consultants will be considered as part of the Internal Audit team's follow-up, which will be reported to a future Audit Committee meeting.

4.3 The Committee commented on the audit of Modernising Back Office Systems (MBOS) programme governance and risk management arrangements (Phase 2) (p34 of the agenda pack). The IT Audit Manager, Mark Winton, explained that he attends the MBOS Programme Board to assist the Board and the new Programme Manager. The Chief Operating Officer suggested that the Audit Committee could also assist with oversight of the Programme.

4.4 The Chief Finance Officer set out that the increased level of grants received by the Council had led to an increased volume of assurance required by Government. This was being managed within existing resources, but should the certification and assurance work become more onerous the matter would be looked at during the RPPR process.

4.3 The Committee RESOLVED to: (1) note the Internal Audit Service's opinion of reasonable assurance on the Council's control environment;
(2) confirm that there are no significant control issues that should be included in the Council's Annual Governance Statement for 2020/21;
(3) confirm that the Council's system for internal audit has proved effective during 2020/21; and
(4) consider additional reports on Property Projects and MBOS at the next meeting.

5 ASSESSMENT OF THE CORPORATE GOVERNANCE FRAMEWORK AND ANNUAL GOVERNANCE STATEMENT FOR 2020/21

5.1 The Committee considered a report by the Assistant Chief Executive which presented the Council's Annual Governance Statement, and the assessment of compliance with the Corporate Governance Framework, before they are presented to the Governance Committee.

5.2 The Assistant Chief Executive set out the purpose of the Table at Appendix 1 of the draft Governance Committee report, which is to show which of the seven core principles of the CIPFA/SOLACE framework are engaged by each of the Council's key policies and processes. The details of how the principle is engaged and addressed is within each policy.

5.3 The Assistant Chief Executive confirmed that Councillor Bennett had been appointed by the Governance Committee to sit on the Sea Change Sussex Board on behalf of the County Council.

5.4 The Committee RESOLVED to confirm that there were no changes to the Annual Governance Statement that they wished to recommend to the Governance Committee.

6 STRATEGIC RISK MONITORING 2020/21 - Q4 (01.01.21 - 31.03.21)

6.1 The Committee considered a report by the Chief Operating Officer which presented the Strategic Risk Register in a refreshed format.

6.2 The Committee welcomed the additional information provided by the revised format, and requested further development of the Register, to provide explanations of why specific risks were added to or removed from the Register. The Chief Operating Officer agreed to include this.

6.3 The Committee discussed:

- Risk 1 – Roads: the risk is at the higher end of the Amber band and is kept under close review, given the level of public and member interest.
- Risk 12 – Cyber Attack: the return to office based working, which is not scheduled to happen before September, will not impact on the Council's IT security, although reminders to staff about non-network printers and retention of information in hard copy will be issued.
- Risk 15 – Climate: remains a key area of focus, with action plans being developed. The Chief Operating Officer agreed to review the Register in the light of comments made about biodiversity and adaptation.

6.4 The Committee RESOLVED to note the Register.

7 WORK PROGRAMME

7.1 The Committee reviewed its current work programme, together with comments made in the course of the meeting.

7.2 RESOLVED to note the Programme, with the addition of items on Property Projects (AD Property, Nigel Brown, to be invited to attend) – see minute 4.2 Modernising Back Office Systems, and how the Committee can assist the Programme Board – see minute 4.3

A training session on Property, Plant and Equipment valuation, date to be confirmed.

The meeting ended at 11.25 am.

Councillor Colin Swansborough (Chair)