

AUDIT COMMITTEE

MINUTES of a meeting of the Audit Committee held at Council Chamber, County Hall, Lewes on 31 March 2023.

PRESENT Councillors Colin Swansborough (Chair), Gerard Fox (Vice Chair), Matthew Beaver, Nuala Geary, Stephen Holt 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
Mark Winton, Audit Manager – Delivery

Andy Conlan, Grant Thornton UK LLP

34. MINUTES OF THE PREVIOUS MEETING

34.1 The Committee RESOLVED to agree the minutes as a correct record of the meeting held on 18 November 2022.

35. APOLOGIES FOR ABSENCE

35.1 Apologies were received from Councillor Matthew Milligan.

36. DISCLOSURES OF INTERESTS

36.1 There were none.

37. URGENT ITEMS

37.1 There were none.

38. REPORTS

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

39. AUDITOR'S ANNUAL (VFM) REPORT ON EAST SUSSEX COUNTY COUNCIL 2021/22

39.1 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.

39.2 The Committee discussed recommendation 1.1 in Auditor's Annual Report on East Sussex County Council and the challenges around implementing a longer term medium term financial plan (MTFP) horizon since national allocations of some funding streams are only known until 2024/25.

39.3 The Committee noted that detail around the self-assessment for the Audit Committee mentioned in recommendation 2.1 of the report will be presented to the Audit Committee for consideration at the next meeting in July 2023.

39.4 The Committee noted that 2023 is the second year that a separate value for money report had been presented to the Committee and the report will continue to evolve year on year to provide more detail regarding measures, benchmarking and a wider understanding regarding improving economy, efficiency and effectiveness.

39.5 The Committee RESOLVED to note the report.

40. EXTERNAL AUDIT PROGRESS UPDATE 2021/22

40.1 The Committee considered a report and supplementary report by the Chief Finance Officer which provided a progress update on the external auditor's (Grant Thornton UK LLP) 2021/22 audits.

40.2 The Committee discussed the national challenge of outstanding local authority audit opinions, the impact of the delays and the predicted timescale for final sign off of audit reports.

40.3 The Committee noted that due to the delays, the external audit plan for the East Sussex Pension Fund will be considered by the Pension Board and Pension Committee before the Audit Committee consider the report in July 2023 along with the external audit plan for 2022/23 and the annual audit letter 2020/21.

40.4 The Committee RESOLVED to note the update and supplementary report.

41. INTERNAL AUDIT PROGRESS REPORT - QUARTER 3 (01/07/22 - 31/12/22)

41.1 The Committee considered a report by the Chief Operating Officer which set out the Internal Audit team's work during Quarter 3.

41.2 The Committee discussed a follow-up audit regarding council vehicle use which was given an unchanged opinion of partial assurance following an initial opinion of partial assurance in 2020/21.

41.3 The Committee noted that a report into the council vehicle use audit and another audit within the same directorate with an unchanged opinion of partial assurance at the follow-up audit will be presented by the Director of Communities, Economy and Transport to the Audit Committee for consideration in July 2023.

41.4 The Committee RESOLVED to note the report.

42. INTERNAL AUDIT STRATEGY AND 2023/24 ANNUAL AUDIT PLAN

42.1 The Committee considered a report by the Chief Operating Officer which presented the Internal Audit Strategy and detailed Internal Audit Plan for 2023/24, together with the Internal Audit Charter.

42.2 The Committee discussed how Internal Audit could provide assurance during future major contract transitions.

42.3 The Committee RESOLVED to:

- 1) Endorse the Council's Internal Audit Strategy and 2023/24 Annual Audit Plan; and
- 2) Endorse the Internal Audit Charter.

43. ORBIS INTERNAL AUDIT - INDEPENDENT EXTERNAL ASSESSMENT REPORT

43.1 The Committee considered a report by the Chief Operating Officer which presented the report from the Chartered Institute of Internal Auditors following its independent external assessment of Orbis Internal Audit against the Public Sector Internal Audit Standards (PSIAS).

43.2 The Committee commended the Internal Audit team for achieving the highest level of conformance available against professional standards with no areas of non-compliance identified and therefore no formal recommendations for improvement arising.

43.3 The Committee RESOLVED to note the findings from the report, including those areas identified where opportunities for further improvement may exist for the future.

44. STRATEGIC RISK MONITORING QUARTER 3 2022/23

44.1 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.

44.2 The Committee noted the updates to risk definitions and risk ratings since quarter 1 and noted that Risk 14 (Post European Union (EU) Transition) has been removed from the Risk Register.

44.3 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.

45. AUDIT COMMITTEE MBOS SUB GROUP UPDATE

45.1 The Committee considered a report by the Chief Operating Officer setting out a summary of the last meeting of the MBOS Sub-Group of the Audit Committee which took place in November 2022 and further updates from the MBOS programme following that meeting.

45.2 The Committee RESOLVED to note that the Committee's MBOS Sub-Group has regularly reviewed the Council's Modernising Back Officer Systems (MBOS) programme.

46. AUDIT COMMITTEE - FUTURE WORK PROGRAMME

46.1 They Committee considered its current work programme of forthcoming items.

46.2 The Committee RESOLVED to note the programme.

The meeting ended at 11.56 am.

Chair