

AUDIT COMMITTEE

MINUTES of a meeting of the Audit Committee held at Council Chamber, County Hall, Lewes on 20 September 2024.

PRESENT Councillors Colin Swansborough (Chair), Matthew Beaver, Stephen Holt, Philip Lunn and Georgia Taylor

LEAD MEMBERS Councillor Nick Bennett

ALSO PRESENT Ros Parker, Chief Operating Officer
Thomas Alty, Deputy Chief Finance Officer
Russell Banks, Chief Internal Auditor
Nigel Chilcott, Audit Manager

Andy Conlan, Grant Thornton UK LLP
Jayanti Gupta, Grant Thornton UK LLP

13. MINUTES OF THE PREVIOUS MEETING

13.1 The Committee RESOLVED to agree the minutes of the meeting held on 5 July 2024 as a correct record.

14. APOLOGIES FOR ABSENCE

14.1 Apologies for absence were received from Councillors Fox and Milligan.

14.2 It was noted that Councillor Redstone was in attendance as a substitute for Councillor Milligan.

15. DISCLOSURES OF INTERESTS

15.1 There were none.

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. INTERNAL AUDIT PROGRESS REPORT - QUARTER 1 (01/04/24 - 30/06/24)

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

18.2 The Committee discussed the Highways Maintenance Contract Management audit where reasonable assurance was provided noting that the internal audit work was undertaken soon after the implementation of the new contract and requested that internal audit include Highways Maintenance Contract Management in future internal audit planning considerations.

18.3 The Committee discussed the areas where further work was required within the Climate Change Follow-Up audit and the financial limitations to complete this work while noting the work that has been completed to give a reasonable assurance opinion.

18.4 The Committee discussed the partial assurance opinion regarding a school and the recording of DBS on the Single Central Record noting the high risk that this area of the audit holds and noted the internal audit process of following up on partial assurance audits within the year.

18.5 The Committee discussed the Vehicle Use Follow-Up audit where the partial assurance opinion remains unchanged and noted that compliance issues are being addressed through management.

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

19. FINDINGS UPDATE ON THE EAST SUSSEX COUNTY COUNCIL EXTERNAL AUDIT 2023/24

19.1 The Committee considered a report by the Chief Finance Officer which provided an update on progress on the delivery of Grant Thornton's responsibilities as the Council's external auditor.

19.2 Andy Conlan from Grant Thornton UK LLP (GT) confirmed that most of the audit work for 2023/24 has been completed which is ahead of the national picture where some authorities are still experiencing an audit backlog; and that the final audit report along with the annual value for money report will be presented to the Audit Committee at the November meeting.

19.3 The Committee noted that the audit findings were minor with no significant adjustments to be made to the accounts and commended the work that the finance team and external auditors have undertaken to conclude previous years' audits and to be in the position of almost completing the current year's audit.

19.4 The Committee RESOLVED to:

- 1) note the Interim Audit Findings Report provided by Grant Thornton; and
- 2) note the sector update and the letter from the Minister for Housing Communities and Local Government.

20. FINDINGS UPDATE ON THE EAST SUSSEX PENSION FUND EXTERNAL AUDIT 2023/24

20.1 The Committee considered a report by the Chief Finance Officer which provided an update on progress on the delivery of Grant Thornton's responsibilities as the East Sussex Pension Fund's external auditor.

20.2 Jayanti Gupta from Grant Thornton UK LLP (GT) confirmed that most of the audit work for 2023/24 has completed and that an audit opinion is expected to be provided with no material adjustments in October and reported to the Audit Committee in November 2024.

20.3 The Committee RESOLVED to:

- 1) note the East Sussex Pension Fund Audit Findings Report provided by Grant Thornton; and
- 2) confirm that the responses in the audit risk assessment of the Pension Fund are consistent with the Committee's understanding and had no further comments on the audit risk assessment.

21. CIPFA FINANCIAL MANAGEMENT CODE

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

21.2 The Committee noted that the Council scored compliant in for all 15 compliance statements within the self-assessment and compliance score N regarding action from the leadership team increased to 4 from a score of 3 at the 2023 self-assessment.

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

22. STRATEGIC RISK MONITORING - QUARTER 1 2024/25

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 discussed Risk 12 Cyber Attack and the importance of monitoring this risk during the Oracle Implementation Programme.

22.3 The Committee requested that some narrative is included in the risk register regarding factors that are outside of the Council's control affecting each risk and what mitigations could hypothetically decrease the risk rating for each risk if these factors could be addressed.

22.4 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.

23. WORK PROGRAMME

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

23.2 The Committee noted that the Oracle Implementation Subgroup will meet on 7 November 2024 and that the Audit Committee will consider a report regarding the Oracle Implementation Programme at the 22 November 2024 meeting.

23.3 The Committee noted that the External Auditor's Value for Money report will be moved on the Work Programme from 28 March 2025 to be considered by the Committee at the 22 November 2024 meeting

23.4 The Committee RESOLVED to note the programme.

The meeting ended at 11.12 am.

Chair