



East Sussex County Council  
Audit Committee

Annual Report of the work of the  
Audit Committee 2024-2025



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## **Chair's Introduction**

I am very pleased to be able to present the Annual Report for the Audit Committee, which sets out the role of the Audit Committee and the work that we have undertaken during 2024/25.

The Committee operates in accordance with the good practice guidance set out in the CIPFA 2022 Position Statement, proving an independent resource which supports good governance and strong public financial management.

The Committee is well supported by officers, providing high-quality reports and presentations. I would like to thank Finance, Internal Audit, External Audit (Grant Thornton) and Legal Services teams for their input and support.

I would also thank Councillor Gerard Fox, as Vice Chair of the Committee, and all Committee members for their contributions to the working of this Committee, in such a thoughtful and constructive manner through the last year.

Councillor Colin Swansborough

**Chair - Audit Committee**

## Role of the Audit Committee

The purpose of the Audit Committee is to act as the principal non-executive, advisory function supporting those charged with governance by exercising the Audit Committee functions as follows:

- 1) To review and provide independent scrutiny in relation to all internal and external audit matters.
- 2) To consider the effectiveness of the Council's risk management processes, internal control environment and corporate governance arrangements and to recommend any changes to Governance Committee or Cabinet as appropriate.
- 3) To consider the external auditor's annual letter and the Chief Internal Auditor's annual report and opinion and the level of assurance they can give over the Council's risk management processes, internal control environment and corporate governance arrangements.
- 4) To review and scrutinise the effectiveness of management arrangements to ensure probity and legal and regulatory compliance, including, but not limited to contract procedure rules, financial regulations, codes of conduct, anti-fraud and corruption arrangements and whistle-blowing policies.
- 5) To consider the major findings of internal and external audit and inspection reports, and Directors' responses, and any matters the Chief Internal Auditor or External Auditor may wish to discuss (in the absence of Directors, if necessary).
- 6) To review the Council's assurance statements, including the Annual Governance Statement, ensuring that they properly reflect the risk environment, and any actions required to improve it.
- 7). To review the internal audit strategy and annual plan and the external auditor's annual audit and inspection plan and to monitor performance of both internal and external audit.
- 8) To review the annual statement of accounts and the external auditor's report to those charged with governance.
- 9) To review and monitor treasury management arrangements in accordance with the CIPFA Treasury Management Code of Practice.
- 10) To review and monitor the Property Asset Disposal and Investment Strategy.

The terms of reference of this Committee can be found in the Council's [Constitution](#).

## Membership of the Audit Committee

The membership of the Audit Committee, together with meeting attendance is set out below:

✓ = present    A = apologies    ASR = apologies, sent representative    Ø = absent

<b>Audit Committee Members:</b>	<b>5 Jul 2024</b>	<b>20 Sep 2024</b>	<b>22 Nov 2024</b>	<b>28 Mar 2025</b>
Cllr Colin Swansborough (Chair)	✓	✓	✓	✓
Cllr Gerard Fox (Vice Chair)	✓	A	✓	✓
Cllr Matthew Beaver	✓	✓	✓	✓
Cllr Stephen Holt	Ø	✓	✓	Ø
Cllr Philip Lunn	✓	✓	✓	✓
Cllr Matthew Milligan	A	ASR	ASR	ASR
Cllr Georgia Taylor	✓	✓	✓	ASR
Substitutes:	-	Cllr Paul Redstone	Cllr Eleanor Kirby-Green	Cllrs Paul Redstone
				Cllr Wendy Maples

Officers who attended the Audit Committee included the Deputy Chief Executive, Chief Finance Officer, Chief Operating Officer, Chief Internal Auditor, Internal Audit Team Members, Grant Thornton (as the Council's external auditors).

## Key Audit Committee Activities

Key Reports to the Audit Committee:	5 Jul 2024	20 Sep 2024	22 Nov 2024	28 Mar 2025
<b>Financial Reporting:</b>				
CIPFA Financial Management Code		Yes		
Review of Annual Governance Report and 2023/24 Statement of Accounts			Yes	
Review of Annual Pension Fund Governance Report and 2023/24 Statement of Accounts			Yes	
Treasury Management Annual Report and Mid-Year Report 2024/25			Yes	
<b>Internal Audit:</b>				
Internal Audit Services Annual Report and Opinion 2023/24	Yes			
Internal Audit Progress Report		Yes	Yes	Yes
Internal Audit Strategy and 2025/26 Annual Audit Plan				Yes
<b>Counter Fraud:</b>				
Counter Fraud Annual Report 2023/24	Yes			
<b>External Audit (Grant Thornton):</b>				
External Audit Plan 2024/25 for East Sussex County Council				Yes
External Audit Plan 2024/25 and 2023/24 for East Sussex Pension Fund				Yes
External Audit Findings Update for East Sussex County Council		Yes		
External Audit Findings Update for East Sussex Pension Fund 2023/24		Yes		
Auditor's Annual (VFM) Report on East Sussex County Council 2023/24			Yes	
ESCC and ESPF IT Systems Audit Findings Report				Yes
<b>Governance and Risk Management:</b>				
Assessment of the Corporate Governance Framework and Annual Governance Statement 2023/24	Yes			
Strategic Risk Monitoring	Yes	Yes		Yes
Audit Committee Oracle Subgroup Update	Yes		Yes	Yes
Annual Update on the Council's Property Assets			Yes	
Audit Committee Annual Report 2023/24	Yes			

## **2024/25 Key Activities:**

### **Financial Reporting**

The Committee has the responsibility to provide independent scrutiny and review of the statement of accounts and the reporting information contained within, for example, the Narrative Report.

The draft statement of accounts for 2023/24 were prepared and published, for public inspection, in line with the 31 May 2024 deadline. The external auditors undertook their audit over the summer and reported back to the Committee in September 2024. Whilst the audit was not complete, the Committee was able to ask questions and be assured around:

- The valuation and estimates included within the statement of accounts for Property, Plant and Equipment.
- The valuation basis for the IAS19 pensions assets and liabilities statement.
- Approach Grant Thornton were taking to the impact of climate change on medium to longer term asset valuations.

The Committee received the Annual Value for Money Report assessment at its meeting in November, on route to Cabinet in January 2025.

The Committee received the Council's self-assessment against the CIPFA Financial Management Code in September, which provided members with the assurance as to the core financial management activity undertaken by the Council.

The Treasury Management Annual Report and Mid-Year Report 2024/25 was presented to the Committee in November.

### **Internal Audit**

The Audit Committee in July 2024, received the Internal Audit Service's Annual Report and Opinion for 2023/24. The report provided reasonable assurance on the effectiveness of risk management, governance and control processes within the Council.

The Committee received and reviewed the Internal Audit Strategy and Annual Audit Plan for 2025/26. The Committee were able, through a separate workshop, to feed in suggestions of areas of Internal Audit work.

Through the year, the Committee received quarterly progress reports, on which Members were able to ask questions and seek assurance.

### **External Audit**

Grant Thornton have been the Council's external auditors for 2024/25. They have attended every Audit Committee, either in person or remotely via Microsoft Teams.

During 2024/25, all prior year audits were concluded. The Governance Committee on 24 June 2024, received a report that closed the 2021/22 and 2022/23 audits,

both with unqualified opinions. The audit for 2023/24, was also concluded within the statutory timeline, also with an unqualified opinion.

### **Governance and Risk Management**

The Audit Committee has a responsibility for monitoring the effectiveness of the Council's systems of controls and governance that form the basis of the Council's operations and functions.

In July 2024, the Committee received and reviewed the Council's Assessment of the Corporate Governance Framework and Annual Governance Statement 2023/24.

In July 2023, in response to the *CIPFA Position Statement: Audit Committees in Local Authorities and Police 2022*, the Committee received a report that proposed the expansion of the Audit Committee to include at least 2 Independent Co-Opted Members. The Committee supported the proposal, which was later approved by the Governance Committee and Full Council. Whilst attempts have been made to recruitment, to date this has not been successful.

Reports are regularly received on the Strategic Risk Register, providing the Committee the opportunity to challenge and seek assurance on responses and mitigation to identified risks.

### **Oracle (previously Managing Back Office Systems [MBOS]) Subgroup**

The Council is implementing the change from SAP systems to Oracle Fusion (Finance, HR and Procurement). The Audit Committee has set up a subgroup, comprising Councillors Swansborough, Fox and Beaver, to provide Member oversight and assurance. Upon joining the Audit Committee, Councillor Lunn joined the subgroup, bringing his experience of financial system implementation. The sub-group reports back to the Audit Committee. In 2024/25 the Oracle Subgroup met 7 times on the following dates:

- 9 May 2024
- 24 June 2024
- 7 November 2024
- 19 December 2024
- 23 January 2025
- 27 February 2025
- 14 March 2025



### Training 2024/25:

The table below sets out training undertaken by Audit Committee Members in 2024/25:

Training	Date	Audit Committee Member Attendance
Audit Committee Induction	30/05/24	<ul style="list-style-type: none"><li>• Cllr Lunn</li></ul>
Members' Session on the Council's Property Assets	14/01/25	<ul style="list-style-type: none"><li>• No Members of the Audit Committee directly attended; however, Members have access to the recorded session.</li></ul>
Internal Audit Training and Planning	23/01/25	<ul style="list-style-type: none"><li>• Cllr Colin Swansborough</li><li>• Cllr Gerard Fox</li><li>• Cllr Matthew Beaver</li><li>• Cllr Philip Lunn</li><li>• Cllr Georgia Taylor</li></ul>