

**Minutes of a meeting of Audit Committee
held on Monday, 18th September, 2023
from 7.00 pm**

Present: S Hicks (Chairman)
R Bates (Vice-Chair)

L Carvalho

R Clarke

M Cornish

Absent: Councillors J Belsey and C Cherry

Also Present: Councillor Cooke

1. TO RECEIVE APOLOGIES FOR ABSENCE.

Apologies were received from Councillor J Belsey and Cherry.

2. TO RECEIVE DECLARATIONS OF INTEREST FROM MEMBERS IN RESPECT OF ANY MATTER ON THE AGENDA.

None.

3. TO BE AGREED BY GENERAL AFFIRMATION THE MINUTES OF THE PREVIOUS MEETING HELD ON 19 APRIL AND 24 MAY 2023.

Louise Duffield, Director of Resources and Organisational Development confirmed the minutes of the meetings held on 19 April and 24 May 2023 were a correct record. The Committee agreed the minutes and they were signed by the Chairman.

4. TO CONSIDER ANY ITEMS THAT THE CHAIRMAN AGREES TO TAKE AS URGENT BUSINESS.

None.

5. FINANCIAL STATEMENTS 2021/22.

Louise Duffield, Director of Resources and Organisational Development gave a brief introduction to the reports, the audit of the 2021/22 accounts is complete resulting in an unqualified opinion. She noted that the 22/23 accounts are now available for public inspection..

Katie Lean, Ernst & Young (EY) introduced the reports, noting the Mid Sussex District Council Audit Results Report would be presented first, followed by Auditors Annual Report. She highlighted the key areas of work including, changes to the planned audit procedures, additional audit procedures and status. The report sets out the key areas of audit work and focus and the significant risks and recommendations. She noted the valuation of property investment work and the adjustment to the

accounts as a result of the pension liability valuation. In terms of risk assessment to value for money none have been identified.

Kevin Suter, Ernst & Young (EY) advised Members an objection to the 2021/22 accounts had been received in relation to Compliance of Contract Regulations. EY established the payments were below the Public Contract Regulations thresholds. Having completed their enquiries the objection was rejected for further consideration based on the above.

He advised information had also been received from a member of the public regarding severance payments to the former s151 officer. EY reviewed the matters which required extensive investigating and resulted in no challenge to the Councils payments, this was at a significant cost to the Council to undertake this work.

In relation to the severance payments investigation a Member asked for clarity on the final fees 2021/22 and planned fees 2020/21 figures at p78 of the report. Katie Lean advised the planned fees 2020/21 should be the final fees 2020/21. Kevin Suter confirmed this and the report would be updated and reissued.

In response to the Chairmans query regarding external audit costs and fees on p140 of the report, Kevin Suter advised the additional fees would be reflected in the 2022/23 set of accounts with a disclosure notice.

In relation to p55, paragraph 7 of the report and the conclusions made by E&Y, a Member asked how this would be avoided in future. The Director of Resources and Organisational Development advised steps had been taken. She noted that the 2020/21 and 2021/22 Audit reports had been issued in quick succession hence the repeated similar points. She advised steps have been taken to address this for the future, though noting that the matter was not a material value.

Katie Lean, gave a brief summary of the Auditors Annual Report which brings together the work of E&Y and sets out the results and findings of this work, in relation to value for money.

As there were no further questions, the Chairman took Members to a vote on the recommendations, which were agreed with 5 in favour.

RESOLVED

The Committee:

- i. Agreed the Auditors Annual Report having considered the Audit Results report;
- ii. Approved the Financial Statements and Letter of Representation for the year ending 31 March 2021;
- iii. Agreed that the Chair sign the above on behalf of the Committee.

6. REVIEW OF TREASURY MANAGEMENT ACTIVITY 2022/23.

Louise Duffield, Director of Resources and Organisational Development, gave a brief introduction, noting the continued work and excellent value for money service provided by Adur & Worthing Council, reflected in the renewal earlier in the year of the Service Level Agreement (SLA) with them.

Joseph Saville, Adur & Worthing Councils, introduced the report, advising it was a reflection of activities from 2022/23 with the requirement to report on prudential indicators. It was important to note the service had operated within the boundaries set out by the Treasury Management System as required for the year 2022/23. The service had continued to maximise yield and minimise risk, due to nature of the Council's investments. He noted the Council had exceeded investment income, largely due to low interest rates when the budget was set. He drew Members attention to the Local Authorities Investment Fund, advising it was important to note this was a long-term projection.

The Chairman was pleased with the Councils current revenue and investment position.

A Member asked for clarity on the Minimum Revenue Provision (MRP) figures. Joseph Saville explained the process and the Director of Resources and Organisational Development advised specific treasury management training would be scheduled for Members in January 2024.

As there were no further questions, the Chairman took Members to a vote on the recommendations, which were approved unanimously with 5 in favour.

RESOLVED

The Committee:

- i. Noted the contents of the report;
- ii. Recommended to propose that Council agree the 2022/23 prudential indicators; and
- iii. Noted the Treasury Management Annual Report at Appendix A.

7. AUDIT COMMITTEE WORK PROGRAMME 2023/24.

Louise Duffield, Director of Resources and Organisational Development, introduced the report with the recommended programme of work for the remainder of the financial year. She highlighted the number of items scheduled for the November Committee, due to budget setting process and welcomed feedback and comments from Members.

The Chairman advised Members he had requested the Committee receive updates on Internal Audit items at the remaining Committee meetings. The Director of Resources and Organisational Development advised there would be substantial updates at the November 2023 meeting and confirmed an interim update would be provided at the March 2024 meeting.

As there were no questions, the Chairman took Members to a vote on the recommendation which was agreed unanimously with 5 in favour.

RESOLVED

The Committee noted the contents of the report and approved the Work Programme as set out in paragraph 7 of the report.

8. QUESTIONS PURSUANT TO COUNCIL PROCEDURE RULE 10.2 DUE NOTICE OF WHICH HAS BEEN GIVEN.

None.

The meeting finished at 7.30 pm

Chairman