

AUDIT COMMITTEE

9 NOVEMBER 2023

Present: Councillors Foster (Chair), Webb (Vice-Chair), Collins, Marlow-Eastwood and Sinden

In attendance: Kit Wheeler, Chief Finance Officer.
(remotely) Mark Winton, Orbis (Chief Internal Auditor), Rita O'Mahoney (Chief Accountant), Mufutau Gbadamosi (Corporate Finance Officer)

1. APOLOGIES FOR ABSENCE

Apologies for lateness from Councillor Webb

2. DECLARATIONS OF INTEREST

Councillor	Item	Interest
Cllr Marlow-Eastwood	<i>All items</i>	Personal – Is an East Sussex County Councillor

3. MINUTES OF THE LAST MEETING 17/08/23

RESOLVED – that the minutes of the meeting held on 17th August 2023 be approved as a true record.

4. INTERNAL AUDIT PROGRESS REPORT - QUARTER 2 (JULY 2023 - SEPT 2023)

The Chief internal Auditor presented a report to provide the Audit Committee with an update on all internal audit and counter fraud activity completed during the quarter, explaining the report is important in supporting the Committee in discharging its responsibilities to evaluate the effectiveness of the internal control environment and the effectiveness of the internal audit function. Quarterly reports will be presented to the Committee, summarising the audit work undertaken in the quarter.

The report also provided an update on the performance of the internal audit service during the period. The Chief internal Auditor explained work has been completed on Home upgrade grant phase 1, Hotel Business Account, and some ad-hoc advice on guidance risk, controls and governance. The Chief Internal Auditor explained new performance indicators have been put in place, with more complete reporting due to be implemented for 2024/25.

Councillors asked regarding Hotel Business Account work that had been completed. The Chief Internal Auditor and Chief Finance Officer explained the recommendation was given for the monthly limit will continue to be reviewed.

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Councillors agreed the report is clear and easy to read and commended the work with staff training. The Chief Finance Officer passed on his thanks to the Chief Internal Officer and his team.

The Chair asked regarding the Internal Audit team engagement with the Senior Leadership Team. The Chief Internal Auditor explained how working with management teams has been very positive and how Internal Audit reports are now reviews by the Senior Leadership Team. The Chief Finance Officer explained there is a rolling program of training throughout the year.

RESOLVED (unanimously)

Note the report and consider any further action required in response to the issues raised.

Reasons

To comply with the requirements set out in the Public Sector Internal Audit Standards 2013 (amended April 2017).

5. TREASURY MANAGEMENT UPDATE - 2023/24 QUARTER 2

The Chief Finance Officer presented a report to provide a quarterly update on treasury management activities ensures this Council is implementing best practice in accordance with the CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021.

The Chief Finance Officer highlighted that interest rates have been high over the last quarter and how this is good for investments balances. Also highlighted was Loans to other organisations. The Chief Finance Officer highlighted the Affordability Prudential Indicator and how there has been no borrowing in the last year.

Councillors asked regarding asset sales. The Chief Finance Officer explained he will request a written response from the Property & Commercial Assets Manager.

Action: The Chair requested a formal response.

Councillors asked regarding the loans to Hastings Housing Company. The Chief Finance Officer explained work is ongoing and it is expected for the loans to be repaid.

Councillors asked regarding the borrowing versus investment returns. The Chief Finance Officer explained advice is taken from treasury advisors.

Councillors asked who agrees the price on asset sales. The Chief Finance Officer answered the sales were agreed at Cabinet with the recommendation to delegate authority to the Property & Commercial Assets Manager in consultation with the Leader of the Council and Finance Portfolio Holder to take all actions to dispose of the sites and agree the terms of the sales.

RESOLVED (unanimously)

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The Cabinet is asked to recommend the following to Full Council:

Note the report, the treasury activity and recommend approval of any changes to the prudential indicators.

Reasons

To ensure that Members are fully aware of the activities undertaken in the last quarter, that the Codes of Practice have been complied with and that the Council's Treasury Management strategy is effective and does not need revising. Under the Code adopted the Full Council are required to consider the report and any recommendations made. There will be further reports on Treasury Management for 2023/24, the Quarter 3 Update Report, and an Outturn Report.

(The Chair declared the meeting closed at. 6.40 pm)