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AUDIT COMMITTEE

13 OCTOBER 2022

Present: Councillors Rankin (Chair), Collins (Vice-Chair), Barnett, Marlow-Eastwood and Webb.

In attendance (remotely): Tom Davies, Chief Auditor; Andy Conlan, Senior Manager, Grant Thornton; and Rita O'Mahoney, Senior Corporate Accountant.

156. APOLOGIES FOR ABSENCE

Apologies for absence received from Kit Wheeler, Chief Finance Officer and Simon Jones, Deputy Chief Finance Officer.

157. DECLARATIONS OF INTEREST

Councillor	Item	Interest
Webb	All items	Personal – Is an East Sussex County Councillor
Marlow-Eastwood	All items	Personal – Is an East Sussex County Councillor

158. MINUTES OF THE LAST MEETING

RESOLVED – that the minutes of the meeting held on 28th July 2022 be approved as a true record.

159. GRANT THORNTON AUDIT PROGRESS REPORT AND SECTOR UPDATE

Andy Conlan, Senior Manager, Grant Thornton provided an update on Grant Thornton's progress in delivering their responsibilities as the Council's external auditors.

The audit completion certificate has now been issued. The issue relating to infrastructure assets which was raised at the previous meeting has now been closed with help from the finance team and was not considered a material issue.

The fee variance as set out in the report has been communicated to the Chief Finance Officer.

The 2020/21 financial audit will hopefully be completed by the end of November, followed by 2021/22 next March.

RESOLVED:

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To note the report.

Reasons:

To provide the Audit Committee with a report on progress in delivering their responsibilities as our external auditors.

160. FINAL ACCOUNTS 2021/22

The Senior Corporate Accountant presented the draft 2021/22 Statement of Accounts in the absence of the Chief Finance Officer.

Councillors asked questions regarding the balance of the General Reserve. The General Reserve is shown as being £7.5 million, with a movement of £2.43 million, taking it up to a level of £9.794 million. The Senior Corporate Accountant replied that this is likely to be due to delays in capital projects during covid, resulting in a lower than expected draw on reserves to date. However, those projects will go ahead but at a later date. The Senior Corporate Accountant agreed to give the Committee a more in-dept update on this in writing.

Councillor Webb asked if the East Sussex County Council pension fund is performing well. The Senior Corporate Accountant agreed to look into this and respond in writing to the Committee.

Councillor Barnett asked if there had any been movement in the Redundancy Reserve and why there was no movement in the Disabled Facilities Grant for 2021/22. The Senior Corporate Accountant said she would look through the original workings and respond in writing to the Committee.

In response to a question about the Section 31 Grant Reserve the Senior Corporate Accountant informed the Committee that is used to resolve a deficit in the Business Rate and Council Tax Collection Fund and further details can be provided to the Committee.

RESOLVED:

To note the report.

Reasons:

Compliance with statutory requirements and good practice. The Council is accountable for the use of public money and continuously seeks to improve Value for Money.

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161. CHIEF AUDITOR'S SUMMARY AUDIT AND RISK REPORT

The Chief Auditor presented a report to inform the Audit Committee of the key findings from the recent Housing Benefit audit.

This review was undertaken as part of the 2021/2022 agreed audit plan. During the year 1st April 2021 to 31st March 2022, the Housing Benefit service paid more than £29 million in rent allowances to over 5,000 claimants in the Borough.

The value of outstanding Housing Benefit overpayments has reduced from £2,566,004 (as at 31/03/17) to £1,441,701 (as at 31/03/22). The Chief Auditor attributed the reduction to claimants being transferred from Housing Benefit to Universal Credit. The overall Audit Assessment is B – Satisfactory. Most controls are in place and are working effectively. Some minor improvements are recommended to ensure statutory compliance, best practice and efficiency.

Councillor Webb asked if the Council should consider employing a Fraud Officer. The Chief Auditor said that the Department for Work and Pensions Single Fraud Investigation Service (SFIS) have taken responsibility for investigating Housing Benefit fraud. At this time, it is not felt that the cost benefit analysis supports employing a Fraud Officer.

RESOLVED:

That the Audit Committee accepts the report.

Reasons:

To monitor levels of control within the organisation.

(The Chair declared the meeting closed at 7.01pm)

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