

**Tony Kershaw**  
Director of Law and Assurance

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29 October 2021

## **Regulation, Audit and Accounts Committee**

A meeting of the Committee will be held at **10.30 am on Monday, 8 November 2021** at **County Hall, Chichester, PO19 1RQ**.

**Note:** In response to the continuing public health measures, there will be limited public access to the meeting. Admission is by ticket only, bookable in advance via: [democratic.services@westsussex.gov.uk](mailto:democratic.services@westsussex.gov.uk)

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### **Agenda**

#### **1. Declarations of Interest**

Members and officers must declare any pecuniary or personal interest in any business on the agenda. They should also make declarations at any stage such as an interest becomes apparent during the meeting. Consideration should be given to leaving the meeting if the nature of the interest warrants it. If in doubt please contact Democratic Services before the meeting.

#### **2. Minutes of the last meeting of the Committee (Pages 5 - 12)**

The Committee is asked to agree the minutes of the meeting held on 22 September 2021 (cream paper).

#### **3. Urgent Matters**

Items not on the agenda which the Chairman of the meeting is of the opinion should be considered as a matter of urgency by reason of special circumstances.

#### **4. Final Version of the Statement of Accounts 2020/21**

The Committee agreed the Statement of Accounts 2020/21 at its last meeting and agreed that the Chairman sign them, but also then sign any final version if there were only minor amendments. Small changes were eventually made to note 43, as set out below. The Committee is asked to note that the Chairman has signed the final version of the statement of accounts that includes the changes shown in bold italic type below:

## **Extract from Note 43 - Assumptions made about the future and other sources of estimation uncertainty**

The external valuer instructed by the Council adopts various estimation techniques to arrive at their valuations. The Authority changed its valuer in 2020/21, and a different technique applied by the new valuer in relation to school assets has had a significant impact on the Council's balance sheet. Bruton Knowles have applied a 'Modern Equivalent Asset' (MEA) approach, whereby for Depreciated Replacement Cost (DRC) valuations (such as for schools), the valuation is based on the cost to construct an asset with equivalent service potential rather than a like-for-like replacement of the existing structure **which was the approach adopted in the prior year by the Council's previous external valuer**. Additionally, Bruton Knowles have distinguished between 'developed' and 'undeveloped' land in their school valuations, whereas the previous valuer adopted a 'blended' approach **in the prior year.**

### **5. External Audit**

The Committee is asked to consider the updated and final 2020/21 Audit Results Report and the draft 2020/21 Auditor's Annual Report from the External Auditor Ernst & Young (EY).

(a) **West Sussex County Council 2020/21 Final Audit Results Report**  
(Pages 13 - 64)

(b) **Draft 2020/21 Auditor's Annual Report** (Pages 65 - 108)

### **6. Internal Audit - Overdue Medium & Low Priority Management Actions (October 2021)** (Pages 109 - 118)

Report by the Director of Finance and Support Services, and the Head of Southern Internal Audit Partnership.

The Committee is asked to note the status of overdue medium and low priority management actions (October 2021).

### **7. Quarterly Review of Corporate Risk Management** (Pages 119 - 130)

Report by the Director of Finance and Support Services.

The Committee is asked to review the information detailed in the report and current Corporate Risk Register, and provide comment as necessary.

### **8. Arrangements for appointment of an External Auditor** (Pages 131 - 136)

Report by Director of Finance and Support Services.

The Committee is asked to recommend to County Council the acceptance of the invitation from the Public Sector Audit Appointments Limited (PSAA) to continue to be an opt-in authority for the purposes of the appointment of an external auditor for both West Sussex County Council and West Sussex Pension Fund.

9. **Treasury Management Compliance Report - Second Quarter 2021/22**  
(Pages 137 - 144)

Report by the Director of Finance and Support Services.

The Committee is asked to review and comment on the Treasury Management Compliance Report.

10. **Date of Next Meeting**

The next meeting of the Committee will be held at 10.30am on 17 January 2022 at County Hall, Chichester.

**To all members of the Regulation, Audit and Accounts Committee**