



## Communities Directorate

13 November 2015

**Joint Governance Committee  
6.30pm on Tuesday 24 November 2015  
Gordon Room, Town Hall, Worthing**

**Adur District Council:** Councillors Rod Hotton (Chairman), Fred Lewis, Carol Albury, Ann Bridges, Emily Hilditch, James Butcher, Paul Graysmark and Barry Mear

**Worthing Borough Council:** Councillors Elizabeth Sparkes (Chairman), Paul Yallop, Joan Bradley, Michael Cloake, Alex Harman, Lionel Harman, Louise Murphy and Bob Smytherman

## Agenda

### Part A

#### 1. Declarations of Interest

Members and officers must declare any disclosable pecuniary interests in relation to any business on the agenda. Declarations should also be made at any stage such an interest becomes apparent during the meeting.

If in doubt contact the Legal or Democratic Services representative for this meeting.

#### 2. Minutes

To approve the minutes of the Joint Governance Committee meeting held on 29th September 2015, copies of which have been previously circulated.

**3. Public Question Time**

To receive any questions from members of the public.

*(Note: Public Question Time will operate for a maximum of 30 minutes.)*

**4. Items Raised Under Urgency Provisions**

To consider any items the Chairman of the meeting considers to be urgent.

**5. Annual Audit Letters**

To consider a report by the External Auditor, copy attached as item 5.

**6. Internal Audit Progress Report**

To consider a report by the Acting Head of Internal Audit, copy attached as item 6.

**7. Disaster Recovery**

To consider a report by the Head of Census ICT, copy attached as item 7.

**8. Joint Independent Remuneration Panel Report on the Scheme of Members Allowances for Adur District Council and for Worthing Borough Council**

To consider a report by the Director for Communities, copy attached as item 8.

**9. Risk Management Annual Report**

To consider a report by the Director for Digital & Resources, copy attached as item 9.

**10. Code of Corporate Governance**

To consider a report by the Director for Digital & Resources, copy attached as item 10.

**11. Recording of Committee and Council meetings; Part B Exempt Information**

To consider a report by the Director for Digital & Resources, copy attached as item 11.

## Part B - Not for Publication – Exempt Information Reports

None

For Democratic Services enquiries relating to this meeting please contact:

Neil Terry  
Senior Democratic Services Officer  
01903 221073  
[neil.terry@adur-worthing.gov.uk](mailto:neil.terry@adur-worthing.gov.uk)

For Legal Services enquiries relating to this meeting please contact:

Susan Sale  
Solicitor to the Council  
01903 221119  
[susan.sale@adur-worthing.gov.uk](mailto:susan.sale@adur-worthing.gov.uk)

The agenda and reports are available on the Councils website, please visit [www.adur-worthing.gov.uk](http://www.adur-worthing.gov.uk)



# Adur District Council

Annual Audit Letter for the year ended 31 March 2015

October 2015

Ernst & Young LLP





The Members  
Adur District Council  
Worthing Town Hall  
Chapel Road  
Worthing  
West Sussex  
BN11 1HA

October 2015

Dear Members

## **Annual Audit Letter 2014/15**

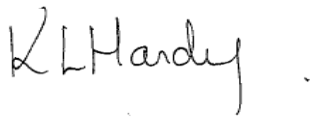
The purpose of this annual audit letter is to communicate the key issues arising from our work to the Members and external stakeholders, including members of the public.

We have already reported the detailed findings from our audit work in our 2014/15 annual results report to the 29 September 2015 Joint Governance Committee, representing those charged with governance. We do not repeat them here.

The matters reported here are those we consider most significant for Adur District Council.

We would like to take this opportunity to thank officers for their assistance during the course of our work.

Yours sincerely



Kate Handy  
Director  
For and on behalf of Ernst & Young LLP  
Enc.

## Contents

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<b>5. Fees</b> .....	<b>8</b>

Relevant parts of the Audit Commission Act 1998 are transitionally saved by the Local Audit and Accountability Act 2014 (Commencement No. 7, Transitional Provisions and Savings) Order 2015 for 2014/15 audits.

The Audit Commission's 'Statement of responsibilities of auditors and audited bodies' (Statement of responsibilities). It is available from the accountable officer of each audited body and via the [Audit Commission's website](#).

The Statement of responsibilities serves as the formal terms of engagement between the Audit Commission's appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The Standing Guidance serves as our terms of appointment as auditors appointed by the Audit Commission. The Standing Guidance sets out additional requirements that auditors must comply with, over and above those set out in the Code of Audit Practice 2010 (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Audit Letter is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.



## 1. Executive summary

Our 2014/15 audit work was undertaken in accordance with the Audit Plan issued on 27 May 2015 and was conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

The Council is responsible for preparing and publishing its Statement of Accounts, accompanied by an Annual Governance Statement (AGS). In the AGS, the Council reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Council is also responsible for having proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for:

- forming an opinion on the financial statements and on the consistency of other information published with them;
- reviewing and reporting by exception on the Council's AGS;
- forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources;
- undertaking any other work specified by the Audit Commission and the Code of Audit Practice.

Summarised below are the results of our work across all these areas:

Area of work	Result
Audit of the financial statements of Adur District Council for the financial year ended 31 March 2015 in accordance with International Standards on Auditing (UK & Ireland).	On 6 October 2015 we issued an unqualified audit opinion on the Council's financial statements.
Form a conclusion on the arrangements the Council has made for securing economy, efficiency and effectiveness in its use of resources.	On 6 October 2015 we issued an unqualified value for money conclusion.
Report to the National Audit Office on the accuracy of the consolidation pack the Council needs to prepare for the Whole of Government Accounts.	We reported our findings to the National Audit Office on 6 October 2015.
Consider the completeness of disclosures on the Council's AGS, identify any inconsistencies with other information which we know about from our work and consider whether it complies with CIPFA/ SOLACE guidance.	No issues to report.
Consider whether we should make a report in the public interest on any matter coming to our notice in the course of the audit.	No issues to report.
Determine whether we need to take any other action in relation to our responsibilities under the Audit Commission Act.	No issues to report.

***As a result of the above we have also:***

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Issued a report to those charged with governance of the Council with the significant findings from our audit.

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Our Audit Results Report was issued on 29 September 2015 to the Joint Governance Committee.

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Issued a certificate that we have completed the audit in accordance with the requirements of the Audit Commission Act 1998 and the Code of Practice issued by the Audit Commission.

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Issued on 6 October 2015.

---

In March 2016 we will also issue a report to those charged with governance of the Council summarising the certification (of grant claims and returns) work we have undertaken.

## 2. Key findings

### 2.1 Financial statement audit

The Council's Statement of Accounts is an important tool to show both how the Council has used public money and how it can demonstrate its financial management and financial health.

We audited the Council's Statement of Accounts in line with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission and issued an unqualified audit report on 6 October 2015.

Our detailed findings were reported to the 29 September 2015 Joint Governance Committee.

The main issues identified as part of our audit were:

#### **Significant risk: Risk of management override**

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##### **Issue**

- As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

##### **Findings**

- We found no evidence that controls had been over-ridden by management or that estimates reflected any management bias, and we did not identify any unusual transactions.
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As reported in our Annual Results Report, we experienced a number of delays throughout our audit. These primarily stemmed from sickness and shortages of key finance staff to answer our queries. Despite the provision of additional audit staff, we were not able to complete our audit by the statutory deadline.

### 2.2 Value for money conclusion

As part of our work we must also conclude whether the Council has proper arrangements to secure economy, efficiency and effectiveness in the use of resources. This is known as our value for money conclusion.

In accordance with guidance issued by the Audit Commission, our 2014/15 value for money conclusion was based on two criteria. We consider whether the Council had proper arrangements in place for:

- ▶ securing financial resilience, and
- ▶ challenging how it secures economy, efficiency and effectiveness.

We issued an unqualified value for money conclusion on 6 October 2015. We noted the following issues as part of our audit.

**Key finding: Longer-term financial strategy**

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**Issue**

- The Council faces a significant financial management challenge over the coming years, including managing:
  - the implications of the current economic climate;
  - the significant reductions in the level of future central government funding;
  - the impact of the funding changes set out in the Local Government Finance Act 2012 and elsewhere; and
  - increases in demand for services linked to significant demographic changes such as the ageing population and rising birth rate.
- Whilst we concluded last year that the Council's Medium Term Financial Plan was sound, we commented that, the Council will need to balance the challenge of delivering the savings/cuts needed against nurturing the drivers of future sustainability. At the time of our planning, the Council's Medium Term Financial Plan showed the Council had yet to identify savings to 2017/18 of £1.69m.

**Findings**

- We considered the Council's medium term financial planning and note that it recognises the on-going uncertainty caused by changes to funding and makes sensible assumptions about their impact. Plans are in place to deliver the 2015/16 savings and the majority of those required in 2016/17.
  - The Council fully expects to achieve the planned and as yet unidentified savings with no plans to utilise any of its reserves. However, after several years of cuts it is getting harder to achieve this. The Audit Commission's profile shows that the Council's total reserves as a percentage of net expenditure were already in the lowest 20% of comparable authorities in 2013/14 and reserves have reduced by £1.5m in 2014/15. However, the Council does have a good track record of achieving the savings it requires to date and it has £2m in general fund and earmarked reserves some of which could be used to bridge the gap.
  - The Council's s151 officer is currently in discussion with Heads of Service on the options available to the Council to close the gap. This is in preparation for the budget papers that will go to the Joint Strategic Committee in December 2015 and to Cabinet in early February 2016.
  - Whilst we concluded that the Council has appropriate arrangements in place to secure financial resilience for the next two or three years, it has some difficult decisions ahead and needs to ensure current plans are delivered and new plans are identified. With the recent loss of key staff in the finance department, the Council also needs to ensure it has sufficient resources to support this process.
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## 2.3 Whole of Government Accounts

We performed the procedures required by the National Audit Office on the accuracy of the consolidation pack prepared by the Council for Whole of Government Accounts purposes. We had no issues to report.

## 2.4 Annual Governance Statement

We are required to consider the completeness of disclosures in the Council's AGS, identify any inconsistencies with the other information which we know about from our work, and consider whether it complies with relevant guidance.

We completed this work and did not identify any areas of concern.

## 2.5 Objections received

We did not receive any objections to the 2014/15 financial statements from members of the public.

## 2.6 Other powers and duties

We identified no issues during our audit that required us to use powers under the Audit Commission Act 1998, including reporting in the public interest.

## 2.7 Independence

We communicated our assessment of independence to the Joint Governance Committee on 29 September 2015. In our professional judgement the firm is independent and the objectivity of the Director and audit staff has not been compromised within the meaning of regulatory and professional requirements.

## 2.8 Certification of grant claims and returns

We will issue the Annual Certification Report for 2014/15 in March 2016.

### 3. Control themes and observations

As part of our work, we obtained enough understanding of internal control to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we must tell the Council about any significant deficiencies in internal control we find during our audit.

We did not identify any significant deficiencies in the design or operation of internal control that might result in a material misstatement in the Council's financial statements.

## 4. Looking ahead

One of the more significant challenges we expect local authorities face in the near future is the implementation of the requirements for Highways Network Assets (formerly Transport Infrastructure Assets).

Description	Impact
<p>Highways Network Asset (formerly Transport Infrastructure Assets):</p> <p>The Invitation to Comment on the Code of Accounting Practice for 2016/17 (ITC) sets out the requirements to account for Highways Network Asset under Depreciated Replacement Cost from the existing Depreciated Historic Cost. This is to be effective from 1 April 2016.</p> <p>This requirement is not only applicable to highways authorities, but to any local government bodies that have such assets.</p>	<p>This may be a material change of accounting policy for the Council. It could also require changes to existing asset management systems and valuation procedures.</p> <p>Nationally, latest estimates are that this will add £1,100 billion to the net worth of authorities.</p> <p>The Council will need to demonstrate it has assessed the impact of these changes. Even though it is not a highways authority, the requirements may still impact as it is responsible for assets such as:</p> <ul style="list-style-type: none"> <li>• HRA infrastructure</li> <li>• Footways</li> <li>• Unadopted roads on industrial or HRA estates</li> <li>• Cycleways</li> <li>• Street Furniture</li> </ul>
<p>The DCLG is bringing forward the date of preparation of the financial statements from 2017/18.</p>	<p>This will result in earlier production of the statements and will be a significant challenge that the Council will need to prepare for in advance, reviewing the key tasks and assessing the extent that processes may need changing to reduce the production time.</p>

## 5. Fees

Our final fee for 2014/15 differs from the scale fee as a result of:

- slow responses from officers in relation to our queries, resulting from staff sickness and shortages. Significant additional time was spent discussing our queries and reviewing responses which led to delay in completion of audit procedures;
- a late adjustment to the CIES processed by finance staff, requiring us to revisit several areas of testing to ensure sufficient audit work had been done.
- a number of amendments made to the cash flow statement and supporting notes.
- several versions of the financial statements being presented for audit.
- additional work was also required to consider whether there was sufficient evidence to show the Council's savings plans will be deliverable.

Additional work was also required in relation to the Value for Money significant risk identified in our Audit Plan.

	Final fee 2014/15	Planned fee 2014/15	Scale fee 2014/15	Final fee 2013/14
<b>Total Audit Fee – Code work</b>	<b>£TBC</b>	<b>£64,163</b>	<b>£64,163</b>	<b>£64,163</b>
<b>Total Audit Fee – Certification of claims and returns</b>	<b>£TBC</b>	<b>£13,480</b>	<b>£13,480</b>	<b>£36,587</b>

### Notes:

Additional fee for our Code work has been agreed with officers. These additional fees are subject to approval by PSAA. We will therefore update those charged with governance following PSAA approval.

Our fee for the certification of grants and claims is yet to be finalised for 2014/15 as the work is ongoing. We plan to report this to those charged with governance in March 2016 in our report summarising the certification (of grant claims and returns) work we have undertaken.



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Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

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# Worthing Borough Council

Annual Audit Letter for the year ended 31 March 2015

October 2015

Ernst & Young LLP





The Members  
Worthing Borough Council  
Worthing Town Hall  
Chapel Road  
Worthing  
West Sussex  
BN11 1HA

October 2015

Dear Members

## **Annual Audit Letter 2014/15**

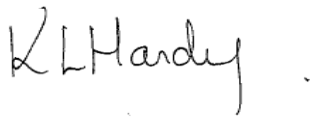
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The matters reported here are those we consider most significant for the Council.

We would like to take this opportunity to thank officers for their assistance during the course of our work.

Yours sincerely



Kate Handy  
Director  
For and on behalf of Ernst & Young LLP  
Enc.

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The Council is also responsible for having proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for:

- forming an opinion on the financial statements and on the consistency of other information published with them;
- reviewing and reporting by exception on the Council's AGS;
- forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources;
- undertaking any other work specified by the Audit Commission and the Code of Audit Practice.

Summarised below are the results of our work across all these areas:

Area of work	Result
Audit of the financial statements of Worthing Borough Council for the financial year ended 31 March 2015 in accordance with International Standards on Auditing (UK & Ireland).	On 30 September 2015 we issued an unqualified audit opinion on the Council's financial statements.
Form a conclusion on the arrangements the Council has made for securing economy, efficiency and effectiveness in its use of resources.	On 30 September 2015 we issued an unqualified value for money conclusion.
Report to the National Audit Office on the accuracy of the consolidation pack the Council needs to prepare for the Whole of Government Accounts.	We reported our findings to the National Audit Office on 30 September 2015.
Consider the completeness of disclosures on the Council's AGS, identify any inconsistencies with other information which we know about from our work and consider whether it complies with CIPFA/ SOLACE guidance.	No issues to report.
Consider whether we should make a report in the public interest on any matter coming to our notice in the course of the audit.	No issues to report.
Determine whether we need to take any other action in relation to our responsibilities under the Audit Commission Act.	No issues to report.

***As a result of the above we have also:***

---

Issued a report to those charged with governance of the Council with the significant findings from our audit.

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Our Audit Results Report was issued on 29 September 2015 to the Joint Governance Committee.

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Issued a certificate that we have completed the audit in accordance with the requirements of the Audit Commission Act 1998 and the Code of Practice issued by the Audit Commission.

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Issued on 30 September 2015.

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In March 2016 we will also issue a report to those charged with governance of the Council summarising the certification (of grant claims and returns) work we have undertaken.



## 2. Key findings

### 2.1 Financial statement audit

The Council's Statement of Accounts is an important tool to show both how the Council has used public money and how it can demonstrate its financial management and financial health.

We audited the Council's Statement of Accounts in line with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission and issued an unqualified audit report on 30 September 2015.

Our detailed findings were reported to the 29 September 2015 Joint Governance Committee.

The main issues identified as part of our audit were:

#### Significant risk: Risk of management override

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##### Issue

- As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

##### Findings

- We found no evidence that controls had been over-ridden by management or that estimates reflected any management bias, and we did not identify any unusual transactions.
- 

As reported in our Annual Results Report, we experienced a number of delays throughout our audit. These primarily stemmed from sickness and shortages of key finance staff to answer our queries. Through the provision of additional audit staff, we were able to complete our audit by the statutory deadline.

### 2.2 Value for money conclusion

As part of our work we must also conclude whether the Council has proper arrangements to secure economy, efficiency and effectiveness in the use of resources. This is known as our value for money conclusion.

In accordance with guidance issued by the Audit Commission, our 2014/15 value for money conclusion was based on two criteria. We consider whether the Council had proper arrangements in place for:

- ▶ securing financial resilience, and
- ▶ challenging how it secures economy, efficiency and effectiveness.

We issued an unqualified value for money conclusion on 30 September 2015.

We noted the following issues as part of our audit

#### Key finding 1: Medium Term Financial Planning

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##### Issue

- The Council faces a significant financial management challenge over the coming years, including managing:
  - the implications of the current economic climate;
  - the significant reductions in the level of future central government funding;
  - the impact of the funding changes set out in the Local Government Finance Act 2012 and elsewhere; and
  - increases in demand for services linked to significant demographic changes such as the ageing population and rising birth rate.
- The Borough Council's 2013/14 outturn showed an overspend for the first time in several years of £299,000. This effectively exhausted 26% of the brought forward general fund reserves. At the time of issuing our plan, the Council's Medium Term Financial Plan showed the Council had yet to identify savings to 2017/18 of £2.04m.

##### Findings

- As part of our value for money conclusion work, we considered the Council's financial planning and noted that it recognises the on-going uncertainty caused by changes to funding and makes sensible assumptions about their impact.
  - Plans are in place to deliver the 2015/16 savings and the majority of those required in 2016/17. The Council fully expects to achieve the planned and as yet unidentified savings with no plans to utilise any of its reserves. However, after several years of cuts it is getting harder to achieve this. The Audit Commission's profile shows that the Council's total reserves as a percentage of net expenditure were already in the lowest 10% of comparable authorities in 2013/14 and reserves have reduced by £1.6m in 2014/15. However, the Council does have a good track record of achieving the savings it requires to date and it has £3.1m in general fund and earmarked reserves some of which could be used to bridge the gap.
  - The Council's s151 officer is currently in discussion with Heads of Service on the options available to the Council to close the gap. This is in preparation for the budget papers that will go to the Joint Strategic Committee December 2015 and to Cabinet in early February 2016.
  - Whilst we concluded that the Council has appropriate arrangements in place to secure financial resilience for the next two or three years, it has some difficult decisions ahead and needs to ensure current plans are delivered and new plans are identified. With the recent loss of key staff in the finance department, the Council also needs to ensure it has sufficient resources to support this process.
- 

## 2.3 Whole of Government Accounts

We performed the procedures required by the National Audit Office on the accuracy of the consolidation pack prepared by the Council for Whole of Government Accounts purposes. We had no issues to report.

## 2.4 Annual Governance Statement

We are required to consider the completeness of disclosures in the Council's AGS, identify any inconsistencies with the other information which we know about from our work, and consider whether it complies with relevant guidance.

We completed this work and did not identify any areas of concern.

## 2.5 Objections received

We did not receive any objections to the 2014/15 financial statements from members of the public.

## 2.6 Other powers and duties

We identified no issues during our audit that required us to use powers under the Audit Commission Act 1998, including reporting in the public interest.

## 2.7 Independence

We communicated our assessment of independence to the Joint Governance Committee on 29 September 2015. In our professional judgement the firm is independent and the objectivity of the Director and audit staff has not been compromised within the meaning of regulatory and professional requirements.

## 2.8 Certification of grant claims and returns

We will issue the Annual Certification Report for 2014/15 in March 2016.

### 3. Control themes and observations

As part of our work, we obtained enough understanding of internal control to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we must tell the Council about any significant deficiencies in internal control we find during our audit.

We did not identify any significant deficiencies in the design or operation of internal control that might result in a material misstatement in the Council's financial statements.

## 4. Looking ahead

One of the more significant challenges we expect local authorities face in the near future is the implementation of the requirements for Highways Network Assets (formerly Transport Infrastructure Assets).

Description	Impact
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<p>The DCLG is bringing forward the date of preparation of the financial statements from 2017/18.</p>	<p>This will result in earlier production of the statements and will be a significant challenge that the Council will need to prepare for in advance, reviewing the key tasks and assessing the extent that processes may need changing to reduce the production time.</p>

## 5. Fees

Our final fee for 2014/15 differs from the scale fee as a result of:

- slow responses from officers in relation to our queries, resulting from staff sickness and shortages. Significant additional time was spent discussing our queries and reviewing responses which led to delay in completion of audit procedures;
- a late adjustment to the CIES processed by finance staff, requiring us to revisit several areas of testing to ensure sufficient audit work had been done; and
- additional work was also required to consider whether there was sufficient evidence to show the Council's savings plans will be deliverable.

	Final fee 2014/15	Planned fee 2014/15	Scale fee 2014/15	Final fee 2013/14
<b>Total Audit Fee – Code work</b>	<b>£TBC</b>	<b>£62,876</b>	<b>£62,876</b>	<b>£62,876</b>
<b>Total Audit Fee – Certification of claims and returns</b>	<b>£TBC</b>	<b>£7,731</b>	<b>£7,731</b>	<b>£10,912</b>

### Notes:

Additional fee for our Code work has been agreed with officers. These additional fees are subject to approval by PSAA. We will therefore update those charged with governance following PSAA approval.

Our fee for the certification of grants and claims is yet to be finalised for 2014/15 as the work is ongoing. We plan to report this to those charged with governance in March 2016 in our report summarising the certification (of grant claims and returns) work we have undertaken.

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# Adur & Worthing Joint Committee

Annual Audit Letter for the year ended 31 March 2015

October 2015

Ernst & Young LLP





The Members  
Adur & Worthing Councils  
Worthing Town Hall  
Chapel Road  
Worthing  
West Sussex  
BN11 1HA

October 2015

Dear Members

## **Annual Audit Letter 2014/15**

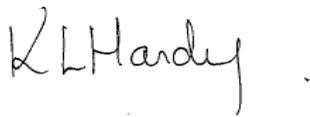
The purpose of this annual audit letter is to communicate the key issues arising from our work to the Members and external stakeholders, including members of the public.

We have already reported the detailed findings from our audit work in our 2014/15 annual results report to the 29 September 2015 Joint Governance Committee, representing those charged with governance. We do not repeat them here.

The matters reported here are those we consider most significant for Adur & Worthing Joint Committee.

We would like to take this opportunity to thank officers for their assistance during the course of our work.

Yours sincerely



Kate Handy  
Director  
For and on behalf of Ernst & Young LLP  
Enc.

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Relevant parts of the Audit Commission Act 1998 are transitionally saved by the Local Audit and Accountability Act 2014 (Commencement No. 7, Transitional Provisions and Savings) Order 2015 for 2014/15 audits.

The Audit Commission's 'Statement of responsibilities of auditors and audited bodies' (Statement of responsibilities). It is available from the accountable officer of each audited body and via the [Audit Commission's website](#).

The Statement of responsibilities serves as the formal terms of engagement between the Audit Commission's appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The Standing Guidance serves as our terms of appointment as auditors appointed by the Audit Commission. The Standing Guidance sets out additional requirements that auditors must comply with, over and above those set out in the Code of Audit Practice 2010 (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Audit Letter is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

## 1. Executive summary

Our 2014/15 audit work was undertaken in accordance with the Audit Plan issued on 27 May 2015 and was conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

The Joint Committee is responsible for preparing and publishing its Statement of Accounts, accompanied by an Annual Governance Statement (AGS). In the AGS, the Joint Committee reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Joint Committee is also responsible for having proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for:

- forming an opinion on the financial statements and on the consistency of other information published with them;
- reviewing and reporting by exception on the Joint Committee's AGS;
- forming a conclusion on the arrangements the Joint Committee has to secure economy, efficiency and effectiveness in its use of resources;
- undertaking any other work specified by the Audit Commission and the Code of Audit Practice.

Summarised below are the results of our work across all these areas:

Area of work	Result
Audit of the financial statements of Adur & Worthing Joint Committee for the financial year ended 31 March 2015 in accordance with International Standards on Auditing (UK & Ireland).	On 30 September 2015 we issued an unqualified audit opinion on the Joint Committee's financial statements.
Form a conclusion on the arrangements the Joint Committee has made for securing economy, efficiency and effectiveness in its use of resources.	On 30 September 2015 we concluded that there were no matters we needed to report.
Consider the completeness of disclosures on the Joint Committee's AGS, identify any inconsistencies with other information which we know about from our work and consider whether it complies with CIPFA/ SOLACE guidance.	No issues to report.
Consider whether we should make a report in the public interest on any matter coming to our notice in the course of the audit.	No issues to report.
Determine whether we need to take any other action in relation to our responsibilities under the Audit Commission Act.	No issues to report.

***As a result of the above we have also:***

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Issued a report to those charged with governance of the Joint Committee with the significant findings from our audit.

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Our Audit Results Report was issued on 29 September 2015 to the Joint Governance Committee.

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Issued a certificate that we have completed the audit in accordance with the requirements of the Audit Commission Act 1998 and the Code of Practice issued by the Audit Commission.

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Issued on 30 September 2015.

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## 2. Key findings

### 2.1 Financial statement audit

The Joint Committee's Statement of Accounts is an important tool to show both how the Joint Committee has used public money and how it can demonstrate its financial management and financial health.

We audited the Joint Committee's Statement of Accounts in line with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission and issued an unqualified audit report on 30 September 2015.

Our detailed findings were reported to the 29 September 2015 Joint Governance Committee.

The main issues identified as part of our audit were:

#### Significant risk: Risk of management override

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##### Issue

- As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

##### Findings

- We found no evidence that controls had been over-ridden by management or that estimates reflected any management bias, and we did not identify any unusual transactions.
- 

As reported in our Annual Results Report, we experienced a number of delays throughout our audit. These primarily stemmed from sickness and shortages of key finance staff to answer our queries. Through the provision of additional audit staff, we were able to complete our audit by the statutory deadline.

### 2.2 Value for money conclusion

As part of our work we must also conclude whether the Joint Committee has proper arrangements to secure economy, efficiency and effectiveness in the use of resources. This is known as our value for money conclusion.

In accordance with guidance issued by the Audit Commission, our 2014-15 value for money conclusion was limited to:

- ▶ reviewing the Annual Governance Statement;
- ▶ reviewing the results of any work undertaken by the Audit Commission and other regulatory bodies or inspectorates to consider whether it impacts on our audit responsibilities;
- ▶ undertaking other local risk-based work, as appropriate, or any work mandated by the Commission.

On 30 September 2015 we concluded that there were no matters we needed to report.

## 2.3 Annual Governance Statement

We are required to consider the completeness of disclosures in the Joint Committee's AGS, identify any inconsistencies with the other information which we know about from our work, and consider whether it complies with relevant guidance.

We completed this work and did not identify any areas of concern.

## 2.4 Objections received

We did not receive any objections to the 2014/15 financial statements from members of the public.

## 2.5 Other powers and duties

We identified no issues during our audit that required us to use powers under the Audit Commission Act 1998, including reporting in the public interest.

## 2.6 Independence

We communicated our assessment of independence to the Joint Governance Committee on 29 September 2015. In our professional judgement the firm is independent and the objectivity of the Director and audit staff has not been compromised within the meaning of regulatory and professional requirements.



### 3. Control themes and observations

As part of our work, we obtained enough understanding of internal control to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we must tell the Joint Committee about any significant deficiencies in internal control we find during our audit.

We did not identify any significant deficiencies in the design or operation of internal control that might result in a material misstatement in the Joint Committee's financial statements.

## 4. Fees

Our final fee for 2014/15 differs from the scale fee as a result of slow responses from officers in relation to our queries, resulting from staff sickness and shortages. Significant additional time was spent discussing our queries and reviewing responses which led to delay in completion of audit procedures.

	Final fee 2014/15	Planned fee 2014/15	Scale fee 2014/15	Final fee 2013/14
<b>Total Audit Fee – Code work</b>	<b>£TBC</b>	<b>£22,547</b>	<b>£22,547</b>	<b>£22,547</b>

### Notes:

Additional fee for our Code work has been agreed with officers. These additional fees are subject to approval by PSAA. We will therefore update those charged with governance following PSAA approval.

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## Internal Audit Progress Report

### Report of the Acting Head of Internal Audit

#### 1.0 Summary

- 1.1 This report notes the performance of the Internal Audit Section for the period 1<sup>st</sup> April to 31<sup>st</sup> October 2015 against the agreed 2015/16 Annual Internal Audit Plan.
- 1.2 This report provides a summary of the key issues raised in final audit reports issued since our last report to this Committee and provides the current status on the follow-up on the agreed audit recommendations made in final audit reports.

#### 2.0 Background

- 2.1 Each quarter a report is produced for this Committee which details the Internal Audit Section's performance against the current year of the agreed 3 year Strategic Internal Audit Plan, and summarises the results of audit work carried out.

##### Internal Audit Performance - 2015/16

- 2.2 The 2015/16 Annual Internal Audit Plan agreed by the Joint Governance Committee on 24 March 2015 contained 770 days and 64 items of audit work to be undertaken by the Internal Audit Service during the year.
- 2.3 Since approval, the audit plan has been revised to accommodate requests to move audits to different parts of the year and to take account of changes in requirements.

The current plan is summarised as:

Period	No of audits planned	No of days planned	% of days planned
Quarter 1 (April – June)	11	135.75	17.85%
Quarter 2 (July – September)	9	157.25	20.68%
Quarter 3 (October – December)	18	256.25	33.69%
Quarter 4 (January – March)	18	211.25	27.78%
	<b>56</b>	<b>760.5</b>	<b>100</b>

- 2.4 At 31<sup>st</sup> October, 301.5 days (40%) of the planned days had been delivered against the revised 760.5 days. Attached, as **Appendix 1**, is the detailed information on progress against this plan.

- 2.5 Recommendations made in audit reports are categorised according to their level of priority as follows:

<b>Priority 1</b>	Major issues for the attention of senior management.
<b>Priority 2</b>	Other recommendations for local management action.
<b>Priority 3</b>	Minor matters.

#### Bank Mandate Fraud

- 2.6 Adur District Council has been subject to an attempted bank mandate fraud. The Council has taken steps to improve controls and has reported the matter for further investigation.

#### Final Audit Reports

- 2.7 Internal Audit's assurance opinions accord with an assessment of the controls in place and the level of compliance with these controls. During the course of an audit, a large number of controls will be examined for adequacy and compliance. The assurance level given is the best indicator of the system's control adequacy. The assurance levels and their associated explanations are:-

<b>Full Assurance</b>	There is a sound system of control designed to achieve the system objectives and the controls are being consistently applied.
<b>Satisfactory Assurance</b>	While there is a basically sound system, there are weaknesses that put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
<b>Limited Assurance</b>	Weaknesses in the system of controls are such as to put the system objectives at risk, and/or the level of non-compliance puts the system objectives at risk.
<b>No Assurance</b>	Control is generally weak, leaving the system open to significant error or abuse, and/or significant non-compliance with basic controls leaves the system open to error or abuse.

- 2.8 The report attached as **Appendix 2** provides a summary of key issues raised in all final reports issued since our last report to this Committee, including those with a Limited Assurance opinion. Since the previous Committee, eight reports have been finalised; of these seven were Satisfactory assurance and one was Limited assurance. A total of four P1 recommendations were raised within these reports.

#### Follow up of Audit Recommendations

- 2.9 In accordance with the Council's Follow-Up Protocol, Internal Audit has continued following-up the status of implementation of recommendations contained in final audit reports.

2.10 Follow-up audits are undertaken to ensure that all recommendations raised have been successfully implemented according to the action plans agreed with the service managers when reports are finalised. The Follow-up Protocol requires implementation of 80% of all priority 2 and 3 recommendations and 100% of priority 1 recommendations. The performance in relation to these targets at production of this report is shown in the tables below.

**Analysis of status of recommendations 2013/14**

	Total Due	Imp	%	Carried Over (Not Impl'd)	%	FU & Overdue	%	FU & No Response	%	Total % NOT Impl'd	FU Not Due	Total
P1	16	12	75%	1	6.3%	3	18.7%	0	0%	18.7%	0	16
P2	106	63	59.4%	23	21.7%	15	14.2%	5	4.7%	18.9%	7	113
P3	22	17	77.3%	5	22.7%	0	0%	0	0%	0%	1	23
Other	6	6	100%	0	0%	0	0%	0	0%	0%	0	6
<b>Total</b>	<b>150</b>	<b>98</b>	<b>65.4%</b>	<b>29</b>	<b>19.3%</b>	<b>18</b>	<b>12%</b>	<b>5</b>	<b>3.3%</b>	<b>15.3%</b>	<b>8</b>	<b>158</b>

**Analysis of status of recommendations 2014/15**

	Total Due	Imp	%	Carried Over (Not Impl'd)	%	FU & Overdue	%	FU & No Response	%	Total % NOT Impl'd	FU Not Due	Total
P1	15	8	53.3%	0	0%	4	26.7%	3	20%	46.7%	17	32
P2	78	37	47.4%	0	0%	17	21.8%	24	30.8%	52.6%	53	131
P3	20	8	40%	0	0%	6	30%	6	30%	60%	12	32
Other	1	1	100%	0	0%	0	0%	0	0%	0%	6	7
<b>Total</b>	<b>114</b>	<b>54</b>	<b>47.4%</b>	<b>0</b>	<b>0%</b>	<b>27</b>	<b>23.7%</b>	<b>33</b>	<b>28.9%</b>	<b>52.6%</b>	<b>88</b>	<b>202</b>

2.11 We continue to report to quarterly DMT meetings and are generally receiving more prompt responses to our requests for updates. We are also in initial discussions with the Head of Digital & Resources regarding digitalising the entire follow up process in order to move towards a single platform for monitoring audit recommendations that could be used and accessed by all Council officers.

2.12 Attached as **Appendices 3 & 4** are tables which summarise the current status of follow-up status on recommendations made in final audit reports from audits contained in the 2013/14 and 2014/15 Audit Plans. The shaded boxes indicate where changes have occurred since our last report. As reported in our last progress report to this Committee, we continue to monitor the recommendations outstanding for 2011/12 and 2012/13 audit reports for which the percentage of outstanding recommendations is 2% and 7% respectively. None of the final reports issued in 2015/16 are yet due for follow-up.

### 3.0 Proposals

3.1 That the Committee note the performance of the Internal Audit Section for 1<sup>st</sup> April to 31<sup>st</sup> October 2015 against the 2015/16 Audit Plan.

3.2 That the Committee note the summary of the key issues raised in final audit reports issued since our last report to this committee and the current status on the follow-up on Internal Audit recommendations made as a result of audits completed during 2013/14 and 2014/15.

#### **4.0 Legal**

4.1 There are no legal matters arising as a result of this report.

#### **5.0 Financial Implications**

5.1 There are no financial implications arising from this report.

#### **6.0 Recommendations**

6.1 That the Committee note the performance of the Internal Audit Section for 1<sup>st</sup> April to 31<sup>st</sup> October 2015 against the 2015/16 audit plan.

6.2 That the Committee note the summary of the key issues raised in final audit reports issued since our last report to this Committee and the current status on the follow-up on Internal Audit recommendations made as a result of audits completed during 2013/14 and 2014/15.

#### **Local Government Act 1972**

##### **Background Papers:**

None.

##### **Contact Officer:**

Pat Stothard

Acting Head of Internal Audit

Town Hall, Worthing

Tel: 01903 221255

e-mail [pat.stothard@mazars.co.uk](mailto:pat.stothard@mazars.co.uk)



## **Schedule of Other Matters**

### **1.0 Council Priority**

1.1 The report does not seek to meet any particular Council priorities.

### **2.0 Specific Action Plans**

2.1 (A) Matter considered and no issues identified.  
(B) Matter considered and no issues identified.

### **3.0 Sustainability Issues**

3.1 Matter considered and no issues identified.

### **4.0 Equality Issues**

4.1 Matter considered and no issues identified.

### **5.0 Community Safety Issues (SECTION 17)**

5.1 Matter considered and no issues identified.

### **6.0 Human Rights Issues**

6.1 Matter considered and no issues identified.

### **7.0 Reputation**

7.1 Matter considered and no issues identified.

### **8.0 Consultations**

8.1 (A) Matter considered and no issues identified.  
8.2 (B) Matter considered and no issues identified.

### **9.0 Risk Assessment**

9.1 Matter considered and no issues identified.

### **10.0 Health & Safety Issues**

10.1 Matter considered and no issues identified.

### **11.0 Procurement Strategy**

11.1 Matter considered and no issues identified.

### **12.0 Partnership Working**

12.1 Matter considered and no issues identified.

Quarter	Audit Title	Risk Level	Authority to which audit relates			Work Complete	Draft Issued	Final Issued	Assurance level	Assurance at previous audit
			Joint	ADC only	WBC only					
1	ADC - Annual Governance Statement	H		*		Y	N/A	N/A	N/A	N/A
1	WBC - Annual Governance Statement	H			*	Y	N/A	N/A	N/A	N/A
1	Probity - Essential Users	L	*			Y	Y			
1	Fixed Penalty Notices	L	*			Y	Y			
1	New Ways of Working Implementation	H	*			Y	UR			
1	Dog Control	L	*			Y	Y			
1	AWCS	M	*			Y	Y	Y	Satisfactory	Satisfactory
1	Venues		*			Y	UR			
1	Financial Management system - input on controls for replacement system	H	*			WIP				
1	Building Control	L	*			Y	Y	Y	Satisfactory	No previous comparable audit
2	Performance Management	M	*			Y	Y	Y	Satisfactory	
2	Public Services Network	H	*			Y	Y	Y	Satisfactory	No previous comparable audit
2	Corporate Building Maintenance DSO	H	*			Y	UR			
2	Planning Services	M	*			Y	Y	Y	Satisfactory	Satisfactory
2	Use of Consultants	H	*			Y	UR			
2	On Street Parking Enforcement	L	*			Y	UR			
2	Communications	M	*			Y	Y			
2	Electoral Services	M	*			Y	UR			
2	Freedom of Information	H	*			Y	Y	Y	Limited	Limited
2	Decent Homes (report 14-15 from fact finding)	H		*		WIP				
3	Corporate Governance	H	*			WIP	UR			
3	Delivery of Corporate Vision & Priorities	H	*							
3	Project Management	H	*			P				
3	Local Development Framework	M	*			P				
3	Housing Rents	H		*		WIP				
3	WBC Benefits	H			*	WIP				
3	WBC Revenues (Council Tax & NDR)	H			*	P				
3	CenSus - Council Tax	H		*		WIP				
3	Customer Services	M	*							
3	General Ledger	H	*			WIP				
3	Creditors	H	*			P				
3	Debtors	H	*			WIP				
3	Probity - election claim	L	*							
3	Delivery of Digital Strategy	H	*		*					
3	Computer Audit - Telephony	H	*							
3	Cloud Computing	H	*			P				
3	Final Accounts	H	*							
3	Programme Management	H	*							
4	Risk Management	H	*							
4	Economic Development	M	*							
4	Community Infrastructure Levy	H	*							
4	WBC Leisure Trust - Contract Management	H			*					
4	Housing Administration & Support	L	*		*					
4	Empty Property Management	L	*							
4	Public Health	M	*							
4	Energy Management & Sustainability	L	*		*					
4	Cashiering	H	*							
4	Payroll	H	*							
4	Capital Expenditure & Fixed Assets	M	*							
4	Corporate Fraud Management	H	*							
4	Treasury Management	M	*							
4	Manpower Planning	M	*							
4	IT Resilience	H	*							
4	Email & Archive (Outlook & Gmail)	H	*							
4	Contract Management (contract to be determined)	H	*							
4	Vertical contract audit (contract to be determined)	H	*							

KEY  
P In Planning stage  
WIP Work In Progress  
UR Under review

## Summary of key issues from finalised audits

## Appendix 2

Audit Title	Risk Level	Assurance Level & Number of Issues	Summary of key issues raised
HMS Application (2014/15)	H	Satisfactory (Five Priority 2 recommendations)	No Priority 1 recommendations raised.
CenSus Benefits (2014/15)	H	Satisfactory (One Priority 1, Three Priority 2 and One Priority 3 recommendations)	The Priority 1 recommendation relates to retention of Cabinet Member approval for large write-offs to be evidenced against the relevant case file on the Academy Benefits system.
Third Party Commissioning (2014/15)	H	Satisfactory (One Priority 1 recommendation)	The Priority 1 recommendation relates to the documenting of a Commissioning Policy and procedures.
MSCP Plate Recognition Barrier System – procurement (2014/15)	M	Satisfactory (Two Priority 2 recommendations)	No Priority 1 recommendations raised.
Adur, Worthing Contract Services (2015/16)	H	Satisfactory (One Priority 2 recommendation)	No Priority 1 recommendations raised.
Performance Management (2015/16)	H	Satisfactory (One Priority 1, Three Priority 2 and One Priority 3 recommendations)	The Priority 1 recommendation relates to the current corporate Performance Management Policy and Procedures in place not being documented and officially approved.
Freedom of Information (2015/16)	H	Limited (One Priority 1, Seven Priority 2 and One Priority 3 recommendations)	The Priority 1 recommendation relates To staff not completing the Councils' mandatory FOI training.
Building Control (2015/16)	L	Satisfactory (Three Priority 2 and Two Priority 3 recommendations)	No Priority 1 recommendations raised.

Audit	Final Report Date	Assurance level	Recs not applicable for follow up	Total No of Recs	Number of agreed recs completed	Percentage of recs completed	Recs carried over into next audit	Percentage of recs carried over	Number of recs outstanding	Percentage of recs outstanding	Comments	Comments re Priority 1 recommendations	Date Further Follow-up due
<b>Director of Digital &amp; Resources</b>													
<b>Finance</b>													
Annual Governance Statement (control issues)	N/A	N/A	N/A	N/A					N/A	N/A	N/A		N/A
General Ledger	May-14	Satisfactory	1	7	5	71%	2	29%			Recs were followed up as part of 14/15 audit - 2 were reiterated in 14/15 report		
Cashiering	Jun-14	Satisfactory	1	4	3	75%	1	25%			Self assessment received 7/11/14 - remaining recs were as part of 14/15 annual audit - one complete & one reiterated in 14/15 report		
Creditors	May-14	Satisfactory	1	2	2	100%					Recommendations followed up as part of 14/15 annual audit.		
Debtors	May-14	Satisfactory		3	2	67%	1	33%			Recommendation relates to review of procedures		
Capital Expenditure & Fixed Assets	Dec-14	Satisfactory	1	7			7	100%			Recommendations were followed up a part of annual audit. All were reiterated in 14/15 report		
Treasury Management	Jun-14	Satisfactory		2	2	100%					COMPLETE		
Staff expenses (inc car mileage)	May-14	Satisfactory		2	2	100%					COMPLETED before FU due		
Probity - Staff discounts & Concessions	Mar-14	N/A		5	5	100%					COMPLETE		
Probity - Underbankings	N/A	N/A		N/A					N/A		N/A		
Probity audit - Stores	Oct-12	N/A		1	1	100%					COMPLETE - Manager requested to note bolt stock in next year end stock report		
<b>Legal Services</b>													
Corporate Governance	Mar-14	Limited		10	5	50%	5	50%					
DBS checks & requirements	Oct-13	Satisfactory	1	3	1	33%			2	67%	Met with new Head of People on 10/9 to discuss o/s recs. She was to arrange a meeting with HR staff on 8/10 to discuss and was due to feed back by 31/10. Reminder sent but no update yet provided.		Dec-15
Legal Services	Dec-13	Limited	1	7	7	100%					COMPLETE		
<b>Business &amp; Technical Services</b>													
Shoreham Centre													
<b>Digital &amp; Design</b>													
Risk Management	Jul-14	Satisfactory		9	2	22%	7	78%					
<b>People</b>													
Human Resources													
<b>Director of Economy</b>													
<b>Growth</b>													
Bailiffs	Nov-14	Limited	4	3	3	100%					COMPLETE		
<b>Director of Communities</b>													
<b>Housing</b>													
Housing Rents	May-14	Satisfactory		2	1	50%	1	50%					

Property Buy Back	Mar-14	Satisfactory	1	1	1	100%					Updated provided on 5 Oct confirms this scheme is no longer going to take place therefore O/S rec no longer applicable.		
Building Maintenance	May-15	Limited	1	9			2	22%	7	78%	Request for update sent Oct - no response		
<b>Wellbeing</b>													
Local Strategic Partnership	Apr-15	Satisfactory		4					4	100%	Self Assessment sent 8/9 - reminder sent 2/10 & 10/11 - awaiting update		Dec-15
Safer Communities Partnership	Jun-14	Satisfactory		3	2	67%			1	33%	1 Oct - Update on o/s rec (which is partly implemented) - still in progress and due for completion by Dec 15 - further follow up required		Jan-16
Community Wellbeing	Mar-14	Limited	1	3	3	100%					COMPLETE		
Anti Social Behaviour Management	Jun-14	Satisfactory	2	4	4	100%					COMPLETE		
<b>Environment</b>													
Foreshore Service	Apr-14	Satisfactory		6	5	83%	1	17%			Over 80% complete so no further FU required. O/s rec was partly implemented.		
Cemeteries & Churchyards	May-14	Satisfactory		1	1	100%					COMPLETE		
Grounds Maintenance	May-14	Limited		5	3	60%			2	40%	Update provided at Communities DMT on 18/8 - recs will be implemented in Q4 post restructure	P1 rec discussed at Communities DMT in April & Aug - Rec will not be started until Q4. Further FU required.	Jan-16
Parks Income Management	Oct-13	Satisfactory		5	5	100%			0		COMPLETE		
Probity - Crematorium Ashes Procedure	Apr-14	Satisfactory		6	6	100%					COMPLETE		
<b>Director of Customer Services</b>													
<b>Revenues &amp; Benefits</b>													
Benefits	Jun-14	Satisfactory		3	2	67%	1	33%			Rec relates to DR plans		
Revenues (Council Tax & NDR)	May-14	Satisfactory		3	2	67%	1	33%			O/s rec relates to updating procedures		
WBC - Business Improvement District	Dec-13	Satisfactory		2	2	100%					COMPLETE		
CenSus NDR	Jun-14	Satisfactory		9	7	78%			2	22%	MSDC NDR Report for 14/15 made a rec relating to MSDC suspense ac not being cleared - recs 7 & 8 still considered as in progress and further update will be requested.		Jan-16
<b>Waste &amp; Cleansing</b>													
AWCS - Vehicle Maintenance	May-14	Satisfactory		2					2	100%	Recent update 29/7 confirms both are in progress (one relates to documenting procedures and the promotion of private MOT work) recs will be done by 31 Dec 15.		Jan-16
<b>Building Control &amp; Land Charges</b>													
Local Land Charges	Apr-14	Satisfactory		1	1	100%					COMPLETE		
<b>Computer Audits</b>													
Joint website - content & workflow	Nov-13	Satisfactory	1	2	2	100%					Part of OS rec cannot be implemented due to functionality of T4 system - no further FU req'd.		

Network (LAN & WAN)	Apr-15	Limited	1	10	4	40%			6	60%	Self Assessment issued 12/8 - update rec'd 18/8. Further FU req'd re outstanding recs most of which are not due for implementation until end of Sept 15. Requests for update sent in Oct 15 & on 11 Nov 15	P1 recs relate to IOS version & security patch management (not due for implementation until Sept 15) and change & configuration/release management controls (due May 15 & partly implemented)	<b>Dec-15</b>
Data Centre	Nov-13	Satisfactory		4	3	75%			1	25%	Request for update re 2 OS recs sent 12/8 - response rec'd 18/8 confirmed one rec complete & that the outstanding rec would not be complete until end of FY 15/16		Apr-16
House on the Hill	Mar-14	Satisfactory	2	8	4	50%			4	50%	Update provided on 29/9/15 - work in progress on o/s recs & 10/11 set as completion date - Further FU required.		<b>Dec-15</b>
				<b>158</b>	<b>98</b>	<b>62%</b>	<b>29</b>	<b>18%</b>	<b>31</b>	<b>20%</b>			

Follow Up of Recommendations 2014/15 Audit Plan

Audit	Final Report Date	Assurance level	Recs not applicable for follow	Total No of Recs	Number of agreed recs completed	Percentage of recs completed	Recs carried over into	Percentage of recs carried over	Number of recs outstandi	Percentage of recs outstanding	Comments	Comments re Outstanding Priority 1 recs	Date Further Follow-up
<b>Organisational Development</b>													
Change Management													
<b>Director of Digital &amp; Resources</b>													
<b>Finance</b>													
Annual Governance Statements	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
Budgetary Control	Dec-14	Satisfactory		1	1	100%					COMPLETE		
General Ledger	Mar-15	Satisfactory		3					3	100%	Self Assessment issued in July - no response received - Annual audit currently in progress so OS recs being examined as part of 15/16 audit		
Cashiering	May-15	Satisfactory		4					4	100%	Self Assessment issued Sept 15 - response received to reminder was that recs will not be complete until Mar 16		Mar-16
Creditors	Apr-15	Satisfactory		2					2	100%	Self Assessment issued in Aug - no response despite reminders. Annual 15/16 audit due to start in Nov so implementation of outstanding recommendations will be confirmed during new audit	P1 rec relates to confirming requests to change creditor bank account details - Rec is reported as implemented but will be subject to testing as part of new audit before this is confirmed.	
Debtors	Feb-15	Satisfactory		2	2	100%					COMPLETE		
Insurance	Oct-14	Satisfactory		2	2	100%					COMPLETE		
Payroll	Sep-15	Satisfactory	3	5					5	100%	FOLLOW UP DUE JAN 16		
<b>Capital Expenditure &amp; Fixed Assets</b>													
Treasury Management	May-15	Satisfactory		2	2	100%					COMPLETE		
Petty Cash	Jan-15	Satisfactory		2	1	50%			1	50%	Response to self assessment confirmed 1 rec still outstanding - update provided in Oct confirmed rec re procedures will not be complete until Mar 16		Mar-16
Staff Loans	Jan-15	Satisfactory		3	3	100%				0%	COMPLETE		
Probity audits - inventories	Aug-15	N/A		6					6	100%	Issues to be addressed by Head of Finance review of Financial Regulation requirements in Mar 16.		Apr-16
Probity - cash floats	Oct-14	N/A		1	1	100%					COMPLETE		
<b>Probity - Security invoices</b>													
Business Rates - Forecasting & Income Projection	Feb-15	Satisfactory		1					1	100%	Self Assessment issued in June - response received confirmed rec in progress and advised further Follow up in Dec 15.		Dec-15
Pension Scheme- local administration	Oct-14	Full		0							No Follow up required		
<b>Legal Services</b>													
Corporate Governance	May-15	Satisfactory		6	2	33%			4	67%	Annual audit currently in progress - recommendations to be followed up as part of this audit		
<b>Business &amp; Technical Services</b>													
<b>Emergency Planning/Business Continuity</b>													
<b>Desktop Printing &amp; Reprographics</b>													
Facilities Management & Security	May-15	Satisfactory		15					15	100%	Self Assessment issued in Sep & 2 reminders sent - response awaited		Dec-15
Health & Safety	Sep-15	Limited	3	7					7	100%	FOLLOW UP DUE DEC 15		
Pool Car Pilot	May-15	Satisfactory		5	1	20%			4	80%	Self Assessment issued in Sep & 2 reminders sent - response awaited		Dec-15

Term Maintenance Contract Management - Keith Long Electrical													
Construction Contract - MTC Adaptations													
Land Drainage	Jul-15	Satisfactory		5					5	100%	Request for update sent 29 Sept - no response		
<b>Digital &amp; Design</b>													
Risk Management	Jun-15	Satisfactory		15					15	100%	Meeting held on 7/9 with CPO & Head of Digital - all recs are in progress and will not be implemented until end of year s agreed FU would be performed as part of 15/16 audit in Feb 16		
Technology & Business Solutions													
<b>People</b>													
Agency Staff Arrangements	Dec-14	Satisfactory		4					4	100%	Self assessment was issued in April but responsible officer left - Met with new Head of People on 10/9 to discuss o/s recs. She was arranging a HR meeting on 8/10 to discuss with her team in order to feed back to us. No further update provided so meeting now arranged to discuss further	The P1 rec relates to the checking and authorisation of timesheets and not relying on the system's automatic approval. This was due to be implemented by Jan 2015 but due to staff changes in the HR section no update has yet been received	
Sickness Recording & Monitoring													
<b>Director of Economy</b>													
<b>Place &amp; Investment</b>													
External Funding	Apr-15	Limited		9					9	100%	Self Assessment issued in Aug - no response. Sent to new External Funding Manager on 3/11 and meeting booked to discuss.	The P1 recs relate to reminding officers regarding the process for bid approval and monitoring this to ensure the appropriate approvals are obtained and reminding officers and monitoring that all funding bids are processed through the corporate process. No implementation dates were set as imminent change in officers was due to occur.	
<b>Growth</b>													
Estates													
<b>Director of Communities</b>													
<b>Housing</b>													
Housing Rents	May-15	Satisfactory		3	3	100%					COMPLETE		
Housing Maintenance	Oct-14	Satisfactory		4	2	50%			2	50%	Further follow up information received on 30/9 needs to be clarified with auditee	Dec-15	
Void Management	Apr-15	Limited	1	9	9	100%					COMPLETE - Self Assessment response received which indicates all recommendations have been implemented.		
Housing - Homelessness, Advice & Allocations	Jan-15	Limited		29	14	48%			15	52%	Self Assessment issued - response rec'd confirmed an action plan is in place to ensure implementation of the recommendations & monthly monitoring meetings are held- update provided on 24 Aug confirmed 14 completed but no evidence has been provided to support this so testing will be performed by IA after restructure - Q4	The 6 outstanding P1 recs are being monitored by Head of Housing through an Action Plan.	Jan-16
Home Improvement Assistance													
Decent Homes - Contract Management													
<b>Wellbeing</b>													
Hackney Carriage & Private Hire	Jul-15	Satisfactory		5					5	100%	Request for update issued Nov 15		
Third Party Commissioning	Nov-15	Satisfactory		1					1	100%	FOLLOW UP DUE MAR 16		
<b>Environment</b>													



Beach Huts	May-15	Limited		12	3	25%			9	75%	Self Assessment issued in Aug -detailed response received confirmed o/s recs in progress and would be complete by end Oct. Request for update sent 3/11	P1 rec relates to seeking legal advice in relation to information which should be sought during private sale transactions (ID etc)	
<b>Director of Customer Services</b>													
<b>Revenues &amp; Benefits</b>													
WBC Benefits	Apr-15	Satisfactory		1	1	100%					COMPLETE		
WBC Revenues (Council Tax & NDR)	May-15	Satisfactory		5	2	40%			3	60%	Examination of Customer Services follow-up monitoring confirmed all 3 recs still in progress - Further FU req'd		Dec-15
CenSus - Benefits	Nov-15	Satisfactory	1	4					4	100%	FOLLOW UP DUE MAR 16		
<b>Customer Contact &amp; Engagement</b>													
Complaints	Dec-14	Limited	2	7	3	43%			4	57%	Self Assessment follow up has been performed - One rec is not yet implemented and 3 further recs have been indicated as implemented but evidence has been requested to support their implementation. Before they are marked off as complete	On follow up the P1 rec was noted as implemented as a reminder had been sent re procedures. However, we have requested evidence of monitoring on providing responses to complainants in line with policy requirements	
Register of Electors	Jul-15	Satisfactory	5								No follow up required		
Car Parks	Oct-14	Satisfactory		3	1	33%			2	67%	updates received from Service Accounting and Parking confirmed 2 recs still in progress - Further FU required	The 2 outstanding P1 recs relate to investigating income variances between the NSL and Jade count since April 2014 and completing periodic reconciliations for pay & display and season ticket sales between the income received and the income accounted for in the GL. Note that these issues are being looked into but have not yet been rectified.	
MSCP Plate Recognition Barrier System - Procu	Nov-15	Satisfactory		2					2	100%	FOLLOW UP DUE MAR 16		
<b>Computer Audits</b>													
Disaster Recovery	Jul-15	Limited		3					3	100%	FU DUE OCT 15 - Draft DR System Restart Process received in Aug 15.		Jan-16
HMS Application	Sep-15	Satisfactory	2	3	1	33%			2	67%	FU not due until Jan 16 but evidence already pro-actively provided to confirm implementation of one recommendaion		Jan-16
Data Protection & Information Governance	Mar-15	Limited		9					9	100%	Self Assessment issued in June - response received to indicate no update available - 3 reminders for update sent since - awaiting response	The P1 rec is not due to be implemented until Dec 15.	Jan-16
Service Desk (ITIL)	Sep-15	Limited	3	2					2	100%	FU DUE DEC 15		
				202	54	27%	0	0%	148	73%			



## Internal Audit Progress Updates by Directorate

### Digital & Resources

#### Land Drainage

This report received a Satisfactory Assurance and the Engineer has been in dialogue with the Audit team regarding some of these recommendations. Recommendations 3.2 relating to Inspection Records is now being looked at as a digital project. This work is currently being planned in given the high workload in the digital team.

Recommendation 3.3 also relates to the retention of information on Outlook and there are no proposals corporately to cease access to historic Outlook data, which provides an accessible archive.

#### Disaster Recovery

- *This is the subject of its own report to JGC on 24/11*
- CenSus ICT have completed and submitted their BIA for the A&W Corporate Business Continuity group

#### Service Desk ITIL

- Limited assurance received.
- Three of five recommendations complete
- Recommendation around service desk tool to be complete by 30 June 2016 with rollout of new system
- Meeting to be arranged to discuss needs for a service catalogue

#### Public Services Network

- Satisfactory assurance received
- All recommendations are complete or on target for completion in agreed timescale
- One action relating to a review of the ISO27001 Policies to be raised at next CenSus partnership board meeting

#### Health & Safety

The majority of recommendations from the report have been completed. These include a review of all H&S policies and guidance documents which reflect the various changes in the management structure, ways of working and legislative updates.

The Health and Safety Board, chaired by the CEO with representation from all Directorates and Union Representatives meets quarterly and are minuted. There is also the Commerce Way Safety meeting which focuses on more operational issues at the depot. Minutes and monthly accident statistical information is available for staff via CLT and the intranet. There has been an improvement of accessible information for staff who do not have access to computers.

The centralised storage of risk assessments is a work in progress tied in with the introduction of other digital platforms. All service areas are encouraged to review their risk assessments regularly and to keep them accessible, electronically. Additional assistance has been provided for those areas which require help.

A new digital audit and inspection system (IAuditor) has been agreed by the Digital Design Authority and is being introduced in order to facilitate inspections and audits electronically. In addition to this the H&S Board has agreed to use Zurich Municipal's risk management support to review the Councils inspection regimes. This is a no cost option that should improve our H&S legal obligations and assist with the defence of insurance claims

### **DBS Checks & Requirements**

A formal project is in place to review all staff and check they have had BPSS and DBS checks as appropriate. This will report regularly to the Digital Programme Board chaired by Paul Brewer, who is Senior Information Risk Owner (SIRO).

### **Network (LAN & WAN)**

- Limited assurance received - April 2015
- Most issues identified quickly dealt with
- Meeting with CenSus Head of ICT 12 November to provide further update

### **Data Centre**

- Satisfactory assurance received - October 2013 (long time ago!!)
- CenSus ICT confirm that actions have been completed

### **House on the Hill**

- HotH is scheduled to be replaced in Spring 2016
- CenSus ICT confirm that all recommendations are complete or on schedule for completion

### **Corporate Governance**

*Separate report being taken to Joint Governance Committee on 24.11.15*

## **Facilities Management & Security**

The Facilities Management & Security audit relates to the arrangements for the Town Hall and Portland House only.

A Satisfactory Assurance was received with no Priority 1`s. All the recommendations are either in progress or completed with the exception of item 3.6 - Rolling Programme of Condition Surveys. This has been identified as a Corporate Risk with no condition surveys completed for any Adur & Worthing assets and budgetary provision has been included in the 2016/17 capital programme. Discussions are being held with neighbouring authorities to consider joint working/contracting opportunities. This is a priority project for the Technical Services Surveying team and this is linked with the need for a corporate asset management system.

### **Pool Car Pilot**

The Pool Car Audit received a Satisfactory Assurance with responsibility for implementing recommendations split between the Head of People and Head of Business & Technical Services.

All of the recommendations have been implemented, however, the procurement team are still without the Procurement Assistant whose main role is to administer the operation of the pool cars and the team are therefore struggling with capacity issues. The Procurement Assistant post has been advertised with interviews being held at the end of November 2015.

### **Agency staff arrangements**

*This report has been responded to and forwarded to Audit.*

## **Data Protection & Information Governance**

- Two recommendations actioned and complete
- Remaining seven recommendations are in progress and due to complete by March 2016

### **Added - Building Maintenance**

The Technical Services team are responsible for the maintenance of Corporate Buildings (not Adur Homes properties). This audit received a Limited Assurance.

All of the staff responsible for these arrangements and interviewed during the Audit are no longer with the council as this audit was part of the 2013/14 plan.

A review of the work of Technical Services is in hand and the new team are looking to make improvements across all work areas.

One of the Council's key contractors is its own in house service provided by Adur Building Services. This has been subject to a separate fundamental review/audit and the

performance of this contract/agreement has affected the Corporate Building maintenance arrangements.

Monthly meetings with internal Clients (Heads of Service) have been implemented to ensure customers expectations are being met and to develop relationships between the teams.

### **Creditors**

The audit was a satisfactory audit opinion.

The priority 1 recommendation was to implement a check for requests to change to banking detail telephones. The checks are now being undertaken. Unfortunately, one member of staff failed to undertake this check during a period of staff sickness and the Council was subject to a fraudulent request for bank details changes. This is discussed in more detail within the Head of Internal Audit

### **Cash receipting**

The audit was a satisfactory audit opinion with no priority 1 recommendations.

Follow Up of Recommendations 2013/14 Audit Plan																			
Audit	Joint Audit	Final Report Date	Assurance level	Recs not applicable for follow up	Total No of Recs	Number of agreed recs completed	Percentage of recs completed	Recs carried over into next audit	Percentage of recs carried over	Number of recs outstanding	1	2	3	Other	Percentage of recs outstanding	Key auditees		Date Further Follow-up due	
<b>Director of Communities</b>																			
<b>Housing</b>																			
Housing Rents		May-14	Satisfactory		2	1	50%	1	50%										
Property Buy Back		Mar-14	Satisfactory	1	1	1	100%										Updated provided on 5 Oct confirms this scheme is being brought to an end therefore O/S rec no longer applicable.		
Building Maintenance	*	May-15	Limited																
<b>Wellbeing</b>																			
Local Strategic Partnership	*	Apr-15	Satisfactory		4					4	0	4	0	N/A	100%	J Allatt	Self Assessment sent 8/9 - reminder sent 2/10 - awaiting update		
Safer Communities Partnership	*	Jun-14	Satisfactory		3	2	67%			1	0	1	0	N/A	33%	R Francis	1 Oct - Update on o/s rec (which is partly implemented) - still in progress and due for completion by Dec 15 - further follow up required. CST is updating I/Audit regularly	Jan-16	
Community Wellbeing	*	Mar-14	Limited	1	3	3	100%										COMPLETE		
Anti Social Behaviour Management	*	Jun-14	Satisfactory	2	4	4	100%										COMPLETE		
<b>Environment</b>																			
Foreshore Service		Apr-14	Satisfactory		6	5	83%	1	17%								Over 80% complete so no further FU required. O/s rec was partly implemented.		
Cemeteries & Churchyards	*	May-14	Satisfactory		1	1	100%										COMPLETE		
Grounds Maintenance	*	May-14	Limited		5	3	60%			2	1	1	0	N/A	40%	A Edwards	Update provided at Communities DMT on 18/8 - rec will be implemented in Q4 post restructure	P1 rec discussed at Communities DMT in April & Aug - still in progress and cannot be completed till restructure complete. Further FU required.	Nov-15
Parks Income Management	*	Oct-13	Satisfactory		5	5	100%			0	0	0	0	N/A			COMPLETE		
Probity - Crematorium Ashes Procedure	*	Apr-14	Satisfactory		6	6	100%										COMPLETE		
					<b>40</b>	<b>31</b>	<b>78%</b>	<b>2</b>	<b>5%</b>	<b>7</b>	<b>1</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>18%</b>				

Follow Up of Recommendations 2014/15 Audit Plan																			
Audit	Joint Audit	Final Report Date	Assurance level	Total No of Recs	Number of agreed recs completed	Percentage of recs completed	Recs carried over into next audit	Percentage of recs carried over	Number of recs outstanding	1	2	3	Other	Percentage of recs outstanding	Key auditees	Comments	Comments re Outstanding Priority 1 recs	Date Further Follow-up due	
<b>Director of Communities</b>																			
<b>Housing</b>																			
Housing Rents	ADC	May-15	Satisfactory	3	3	100%													
Housing Maintenance	ADC	Oct-14	Satisfactory	4	2	50%			2	0	2	0	0	50%	P Turner/C Strong	<b>COMPLETE</b> Further follow up information has recently been received but this needs to be clarified with auditee			
Void Management	ADC	Apr-15	Limited	9	9	100%										COMPLETE - Self Assessment response received which indicates all recommendations have been implemented.			
Housing - Homelessness, Advice & Allocations	*	Jan-15	Limited	29	14	48%			15	6	9	0	0	52%	P Cooper	Self Assessment issued - response rec'd confirmed an action plan is in place to ensure implementation of the recommendations & monthly monitoring meetings are held - update provided on 24 Aug confirmed 14 completed but no evidence has been provided to support this so testing will be performed by IA after restructure - Q4	The 6 outstanding P1 recs are being monitored by Head of Housing through an Action Plan.	<b>Jan-16</b>	
<b>Wellbeing</b>																			
Hackney Carriage & Private Hire	*	Jul-15	Satisfactory	5					5	1	3	1	0	100%	S Jones	FU DUE NOV 15	COMPLETE - All Adur & Worthing Hackney Carriage & Private Hire file storage should now comply. All old files have been destroyed.		
<b>Environment</b>																			
Beach Huts	*	May-15	Limited	12	3	25%			9	1	7	1	0	75%	A Edwards	Self Assessment issued in Aug -detailed response received confirmed o/s recs in progress. Further FU required.	P1 rec relates to seeking legal advice in relation to information which should be sought during private sale transactions (ID etc)	<b>Nov-15</b>	
<b>Computer Audits</b>																			
HMS Application	*	Sep-15	Satisfactory	3	1	33%			2	0	2	0	0	67%	P Turner	FU not due until Jan 16 but evidence already pro-actively provided to confirm implementation of one recommendation		<b>Jan-16</b>	
				65	32	49%	0	0%	33	8	23	2	0	51%					



Follow Up of Recommendations 2014/15 Audit Plan												Appendix 4		
Audit	Joint Audit	Final Report Date	Assurance level	Recs not applicable for follow up	Total No of Recs	Number of agreed recs completed	Percentage of recs completed	Recs carried over into next audit	Percentage of recs carried over	Number of recs outstanding	Percentage of recs outstanding	Comments	Comments re Outstanding Priority 1 recs	Date Further Follow-up due
<b>Director of Economy</b>														
<b>Place &amp; Investment</b>														
External Funding	*	Apr-15	Limited		9					9	100%	<b>Self Assessment issued in Aug - response awaited</b>	The P1 recs relate to reminding officers regarding the process for bid approval and monitoring this to ensure the appropriate approvals are obtained and reminding officers and monitoring that all funding bids are processed through the corporate process.  <b>COMPLETED - the new post of Investment Officer is now in place and the postholder is taking the lead on a co-ordinating the councils' approach to securing external funding opportunities to avoid duplication and maximise opportunities for success.</b>	
<b>Growth</b>														
<b>Estates</b>														
Car Parks	*	Oct-14	Satisfactory		3	1	33%			2	67%	<b>updated status received 11/8 confirmed 2 recs still in progress. Audit &amp; Chief Cashier visit performed on 10/9 - Further FU required</b>	The 2 outstanding P1 recs relate to investigating income variances between the NSL and Jade count since April 2014 and completing periodic reconciliations for pay & display and season ticket sales between the income received and the income accounted for in the GL.  <b>Whilst, the extent of income variance has been reduced it has been agreed, in principle, to take cash from our car parks direct to the Councils Cash Office for counting to eliminate any future risk of income variances. Parking Services moved to the Customer Services Directorate at the end of October and a fundamental review of cash handling is underway with the expectation that the new cash handling arrangements will be in place no later than the 1st April 2016. In the meantime work is continuing to reconcile remaining income variances.</b>	<b>Oct-15</b>



Date of audit report	Work area	Internal / External audit	Priority level	Description	Progress	BRAG	Record updated
Dec-14	(JE) Corporate Complaints	Internal	1	Acknowledgements and full responses must be sent and uploaded into Covalent	Implemented November 2014 and on-going monitoring in place	Green	8/9/2015
Mar-14	(PT) ADC CenSus Benefits	Internal	1	Appropriate QA checks to be undertaken and where errors are identified a process if required to confirm that amendments have been made	Implemented	Green	26/10/2015
Mar-14	(PT) ADC CenSus Benefits	Internal	1	Inappropriate processing of changes in circumstances have exacerbated overpayments	Implemented	Green	26/10/2015
Jun-14	(PT) ADC CenSus Revenues	Internal	1	NNDR annual review of charitable and discretionary reliefs	Implemented	Green	12/10/2015
Jun-14	(PT) ADC CenSus Revenues	Internal	1	NNDR retrospective write-off authorisation procedure (Academy should not to be updated without authorisation being obtained)	Implemented	green	26/10/2015
Nov-15	(PT) ADC CenSus Benefits	Internal	1	Evidence of Member authorisation to write off overpayments must be retained within EDRMS	Evidence will be retained	Green	06/11/2015
Oct-15	(GG) Building Control	Internal	2	Retention of documents - Action is required to deal with the backlog of file scanning to avoid the risks of having completed Building Control files stored in three locations. This is an expensive and resource intensive item that will require a business case/ risk assessment approach	Temporary resources deployed and work style changes being pursued	Amber	4/11/2015
Oct-15	(GG) Building Control	Internal	2	Accessibility to information on site - The Building Control Team are to consider developing a business case for the introduction of tablet devices which can then be used to access electronic case files during site inspections.	Presentation to Digital Board programmed for January	Red	04/11/2015
Oct-15	(GG) Building Control	Internal	2	Systems records - Investigation is required to understand why Northgate system is not always updating automatically with information from the MVM system.	Software upgrade in progress	Amber	04/11/2015

Date of audit report	Work area	Internal / External audit	Priority level	Description	Progress	BRAG	Record updated
Dec-14	(JE) Corporate Complaints	Internal	2	Develop & document procedures to rectify "maladministration" identified by the LGO	Procedures are in place for LGO complaints and managed by Directors PAs and entered on Covalent, a new complaints system on Matsoft will be implemented by end of 2015 subject to the solution being finalised by the Digital Team.	Amber	9/11/2015
Dec-14	(JE) Corporate Complaints	Internal	2	Departmental complaints records to be reconciled on a monthly basis with Covalent	Departmental records are no longer maintained as the Directors' PA's record complaints in Covalent	Green	8/9/2015
Dec-14	(JE) Corporate Complaints	Internal	2	A full response to S2 complaints must be provided within 15 days and uploaded to Covalent	Directros' PA's were reminded of this requirement in October 2014. This is being monitored on-going	Green	8/9/2015
Dec-14	(JE) Corporate Complaints	Internal	2	Progress against coplaint handling targets should be regularly monitored and reported to CLT	Implemented from January 2015	Green	8/9/2015
Dec-14	(JE) Corporate Complaints	Internal	2	An update identified at CLT meetings should be requested at a subsequent meeting	Implemented from May 2014	Green	8/9/2015
Mar-14	(PT) ADC CenSus Benfits	Internal	2	Retrospective write-off authorisation procedure for overpayments (Academy should not to be updated without authorisation being obtained)	Implemented	Green	26/10/2015
Mar-14	(PT) ADC CenSus Benfits	Internal	2	Procedures & policies must be reviewed regularly	Implemented	Green	26/10/2015
Mar-15	(PT) ADC CenSus Revenues	Internal	2	Ctax - restrict staff from accessing and updating their own account	Still outstanding; per Sue Smith - partially implemented and due for completion 30/11/15. This is the responsibility of CenSus and is not directly within ADC-WBC control.	Amber	26/10/2015
Jun-14	(PT) ADC CenSus Revenues	Internal	2	NNDR suspense monitoring to be reviewed and confirmed to be appropriate	Outstanding; due for completion by 31/12/15; Sue Smith to follow up in Jan 16. This is the responsibility of CenSus and is not directly within ADC-WBC control.	Amber	26/10/2015

Date of audit report	Work area	Internal / External audit	Priority level	Description	Progress	BRAG	Record updated
Jun-14	(PT) ADC CenSus Revenues	Internal	2	NNDR suspense accounts to be cleared regularly. Issue also included in Jan 2015 report	Outstanding; due for completion by 31/12/15; Sue Smith to follow up in Jan 16. This is the responsibility of CenSus and is not directly within ADC-WBC control.	Amber	26/10/2015
Jun-14	(PT) ADC CenSus Revenues	Internal	2	NNDR Academy manual should be reviewed, updated and re-issued	Completed	Green	7/9/2015
Jun-14	(PT) ADC CenSus Revenues	Internal	2	NNDR empty properties should be inspected in a timely manner and regularly thereafter	Completed	Green	7/9/2015
Jun-14	(PT) ADC CenSus Revenues	Internal	2	NNDR cash receipting reconciliations to be completed daily	Completed	Green	7/9/2015
Jan-15	(PT) ADC CenSus Revenues	Internal	2	NNDR - staff who have left should have their Academy user access revoked	Unknown - email to Sue Smith 04.11.15; this audit report was produced by Mid Sussex DC - Sue has requested an update and will provide the response when she is able	Red	5/11/2015
Apr-15	(PT) WBC Benefits	Internal	2	Refer HB overpayments for absconded customers to the Investigation Team	Sue Smith - we have confirmed with the Corporate Fraud Team that absconded customers are now being referred to the them.	Green	12/11/2015
May-15	(PT) WBC Revenues	Internal	2	Consider referring debts that are otherwise being considered for write-off to the Investigation Team	Implemented	Green	2/11/2015
May-15	(PT) WBC Revenues	Internal	2	Discounts and reductions should be reviewed on an annual basis	Rolling review implemented in conjunction with the corporate Investigation Team	Green	2/11/2015
May-15	(PT) WBC Revenues	Internal	2	Diary dates (which are records created to monitor future events of changes - e.g. the end of a student's course of study) should be actioned in a timely manner	The backlog of work has hindered the team's ability to remain up to date with diary dates; now that the backlog has been reduced to "normal" levels diary dates are now being brought up to date with an intention that they are completely up to date by 31.12.15	Amber	2/11/2015

Date of audit report	Work area	Internal / External audit	Priority level	Description	Progress	BRAG	Record updated
Jul-15	(PTW) Register of Electors	Internal	2	Consider appointing a Deputy Electoral Registration Officer	JE confirmed as DERO	Green	8/9/2015
Jul-15	(PTW) Register of Electors	Internal	2	Check Credit Agencies are FCA licensed before a full copy of the Register is issued	Implemented	Green	8/9/2015
Jul-15	(PTW) Register of Electors	Internal	2	Consider utilising the Corporate Investigation Team to assist with suspected fraud cases	Implemented	Green	8/9/2015
Sep-15	(TP) AWCS	Internal	2	NHS agreement in respect of Clinic Waste	Report received which identify's AWCS is doing its best to agree an agreement but further work required to try to achieve this, however short of stopping the service which would cause a very high level of customer concerns. TP to arrange a meeting with NHS to discuss further	Amber	3/11/2015
Nov-15	(PT) ADC CenSus Benefits	Internal	2	DHP applications and supporting evdience must be retained in EDRMS	Implemented	Green	06/11/2015
Nov-15	(PT) ADC CenSus Benefits	Internal	2	When a CTS customer moves, the Ctax account should be closed before CTS is cancelled	Procedure notes to be updated	Amber	06/11/2015
Nov-15	(PT) ADC CenSus Benefits	Internal	2	Overpayments passed to Legal to pursue must be monitored for progress	A monitorinbg procedure will be put in place	Amber	06/11/2015
Oct -15	(GG) Building Control	Internal	3	Office procedures - Documented procedure notes are required for all actions within the service which should be approved, signed off and then be kept under constant review.	Some exist and now in the support teams work programme	Amber	04/11/2015

Date of audit report	Work area	Internal / External audit	Priority level	Description	Progress	BRAG	Record updated
Oct-15	(GG) Building Control	Internal	3	Fees and charges booklet - Consideration should be given to including the Building Control fees within the Council's annual Fees and Charges booklet. The law around this will need to be carefully considered alongside the commercial risk in a competitive marketplace.	Outstanding; due for completion by 31/12/15; Sue Smith to follow up in Jan 16	Red	04/11/2015
Dec-14	(JE) Corporate Complaints	Internal	3	Comments & Complaints procedure document should be version controlled	Fully implemented	Green	8/9/2015
Dec-14	(JE) Corporate Complaints	Internal	3	Customer Feedback (Complaints) Representatives listing should be updated	There are no longer departmental representatives and the Directors' PA's record complaints in Covalent	Green	8/9/2015
Dec-14	(JE) Corporate Complaints	Internal	3	A remedy should be documented in Covalent for all complaints logged	Directors' PA's were reminded of this requirement in October 2014. This is being monitored on-going	Green	8/9/2015
Mar-14	(PT) ADC CenSus Benefits	Internal	3	Backdated benefit awards have incorrect subsidy classification	Impelemneted	Green	4/11/2015
Mar-15	(PT) ADC CenSus Revenues	Internal	3	Ctax - Restrict user access so only appropriate staff can update bands	Still outstanding; Sue Smith to provide an update; examination of the Final report produced by Horsham confirmed that this recommendation was noted and no further action agreed - there is therefore no recommendation to follow up on and this should be marked as no further action required.	Green	5/11/2015
Jun-14	(PT) ADC CenSus Revenues	Internal	3	NNDR discretionary relief authorisation should be stored in EDRMS and noted in Academy records	Implemented	Green	7/9/2015
Jun-14	(PT) ADC CenSus Revenues	Internal	3	NNDR Bills to be issued in a timely manner	Implemented	Green	7/9/2015
May-15	(PT) WBC Revenues	Internal	3	Ensure procedure notes remain up to date and revisions are dated	Procedure notes are up to date. Revision dates will be checked and updated as part of the on-going rolling review process with a target date for completion 31/12/15	Amber	1/9/2015

Date of audit report	Work area	Internal / External audit	Priority level	Description	Progress	BRAG	Record updated
May-15	(PT) WBC Revenues	Internal	3	Training records should be created and maintained	This is part of the remit of the Compliance & Quality Officer who has been recruited. He is working with the OD Team and the creation and maintenance of training records is being address and will be reviewed as part of the annual PDR process.	Amber	1/9/2015
Jul-15	(PTW) Register of Electors	Internal	3	Set a target date for completion & implementation of day-to-day office procedures	Implemented	Green	8/9/2015
Jul-15	(PTW) Register of Electors	Internal	3	Records for receiving payments should include BACS	Implemented	Green	8/9/2015
Nov-15	(PT) ADC CenSus Benefits	Internal	3	Backdated claims: the reason why "good cause" has been demonstrated is not being recorded in all instances	Reminder due to be issued to staff with implementation due by 30/11/15	Amber	06/11/2015



Ward: [All]

## Adur & Worthing Councils Disaster Recovery Arrangements - CenSus ICT Status Report

### Report by the Head of Census ICT

#### 1.0 Summary

- 1.1 This report has been drawn up in response to the request made in Minute JGC/15-16/018 of Adur & Worthing Joint Governance Committee of 29<sup>th</sup> September 2015 regarding the status of ICT Disaster Recovery at Adur and Worthing Councils.
- 1.2 The Councils' ICT function is consolidated in the Data Centre in Worthing Town Hall. All server, network and CenSus and other 3rd party links are concentrated at this location in a secure, protected and supported environment. Back-ups of data are now performed at least daily (in some cases, every 4 hours) with new software allowing the retention of data on other CenSus sites with accelerated recovery timescales in comparison to tapes.
- 1.3 Further details of risk mitigation already in place for ICT provision are given later in this report.
- 1.4 There are elements of risk owned by Adur Worthing in respect of ICT provisioning that, although already resolved or treated, some remain to be further considered by Adur Worthing to see if those risks should be treated, transferred, tolerated or terminated.
- 1.5 CenSus ICT is actively looking at 2 options to be delivered this financial year (2015/16) from revenue budgets to further improve the existing DR position; these are:
  - (i) The use of internet (Cloud) based data storage and processor providers (for example Microsoft's Azure platform), that allows full secure authentication, complies with Information Governance data processing legislation, efficient use of resources for access when required and most importantly remote availability independent of the Council's infrastructure.
  - (ii) The use of the reciprocal backup data arrangement whereby a limited subset (systems prioritised) of Adur Worthing's data, (which is already replicated off-site in Horsham), would be restored, processed by a small hot server farm and made available from Horsham.

## **2.0 Disaster Recovery Process Documentation**

- 2.1 All relevant (Protectively Marked) procedural and technical documentation for the restart of ICT systems has been developed; copies are retained by CenSus ICT both locally at AW and on the centralised CenSus file systems at Horsham. These processes were tested & validated through recovery from 2 site incidents in 2014/2015, but moving forwards require to be reviewed & validated on at least an annual basis. Copies were supplied to Audit in July/September 2015. The documentation also includes contact information for CenSus ICT staff that is not shared beyond CenSus. However, management contact information for the purposes of invocation and escalation are contained within the ICT BIA and other Business Continuity related documentation owned by Adur & Worthing Councils.
- 2.2 Disaster Recovery Invocation and Plans at Adur Worthing are managed by Adur Worthing Councils' Business Continuity Group (BCG), as co-ordinated by the Emergency Planning Officer. As CenSus ICT is a service provider to the Councils the ICT BIA (v1.0; 30/10/15) has been written with this in mind. Any DR incident will be classified, escalated and managed by the BCG depending upon the nature of the invocation. CenSus ICT will be contacted by the BCG according to separately published Adur Worthing Corporate DR Plans to implement CenSus' own procedures and summon relevant resources to recover the ICT environment. Resourcing a recovery following invocation will be managed by CenSus ICT Management to ensure availability of sufficient and relevant staff. Other Stakeholder information is also contained within the ICT BIA document if and when a need arises to contact them. Interested party Stakeholders (who use the A-W Data Centre) include the Citizens Advice Bureau (CAB) and South Downs Leisure.

## **3.0 Risk Mitigation already in place:**

- 3.1 Data Centre Environmental and Physical vulnerabilities have been mitigated through provision of Fire Detection, Suppression and venting systems, together with Uninterruptible Power Supplies (UPS) to provide power (30 minutes' worth) for controlled power down of systems to minimise data loss. The accommodation spaces are secured with steel shuttered windows and fire resistant doors; access systems prevent unauthorised entry to the Centre.
- 3.2 The Data Centre electrical power supply design allows manual connection (planned or post shutdown) of an external generator power source using a manual transfer switch to supply the Data Centre in the event of a prolonged or planned power outage; neither the Town Hall nor Portland House has such protection.
- 3.3 Data Integrity and Availability is protected by several layers of resilient infrastructure and systems and the use of internet based (Cloud) Google for Business services at present supporting primarily the Councils' email service and an increasing amount of document sharing.
- 3.4 The ICT platforms within the Data Centre are designed & built wherever feasible to provide resilience with redundancy for all key components (Power, links, storage, etc.). The extensive adoption of Server Virtualisation across the Partnership (with

the vast majority of applications/data now hosted in this manner) allows for much faster restoration of services than by traditional methods.

- 3.5 Those remaining physical servers and their data are backed up to tape directly; Virtual server systems and data are backed up to disk by the recently implemented VEEAM system that also provides the data replication of backed up data between CenSus Partner sites. Although VEEAM has only been running a few months it has already proved that it can restore files, servers and whole storage areas in just a few hours, providing a short Recovery Time Objective (RTO, the target time for recovering a Business service) that is a vast improvement from restoration via tape.
- 3.6 In the same manner, Recovery Point Objectives (RPO – the target recovery period during which system data might be lost) are also greatly reduced by regular server snapshotting using the VEEAM system.

#### **4.0 Risks that remain**

- 4.1 There is minimal capacity within the CenSus Partnership for an alternative Data Centre or Staff Recovery Site for Adur Worthing. At present Adur Worthing has no plans or funding to create another site (as is also the case at Horsham & Mid-Sussex) and is therefore reliant on CenSus ICT working with its other Stakeholders to provide limited alternative DR capability. Effective cross site data storage & recovery is now in place &, the implementation of Cloud hosting and/or cross site server capacity will begin to address this issue until the full adoption of Infrastructure as a Service. However, in the interim there remains the absence of sufficient available server hardware for restoration of all services
- 4.2 Worthing Council is now responsible for the continuing Extension of ICT Service to the commercial presence of South Downs Leisure and to the hosting of ICT services for the Citizens Advice Bureau (CAB). In particular the CAB has new ICT infrastructure based in the Data Centre and a connected user network based in the basement where the electrical supply is not supported by a room based UPS or generator protected circuit and the room's environmental control is not resilient – these risks require to be communicated to the stakeholders.
- 4.3 As a primary recovery site the Shoreham Centre has limitations as minimal data centre service function can be supported there & the site can only support a limited number (50) of staff to support essential services for the Council as defined by the BCG. Apart from a limited telephony capability, this site will still be predominantly dependent upon the Worthing Data Centre function for its use by displaced staff.
- 4.4 Whilst, as mentioned previously, there is a generator connection point to connect an electric supply (generator) to the Data Centre & UPS capacity for a controlled power down in the Data Centre, there is no provision for an automatically transferred generator and switchgear for continuity of power after the UPS discharges – the current proposal within the Business is the call off of a portable generator on a 4 hour SLA with the potential of a worst case loss of power & ICT services for 4 hours.

## **5.0 Potential further Risk Mitigation**

- 5.1 In order to provide improved assurance around Data Integrity and Availability CenSus ICT is actively looking at future options during the current financial year using DR revenue budget as yet not spent in this area. One option (preferred) being examined is the use of alternative and consolidated internet based data storage and processing providers during FY 2015/16 like Microsoft's Azure platform. The second option under consideration is based around the use of the backup data already replicated off-site to Horsham where the data could be restored, processed by a hot server farm and made available from Horsham. Both options are currently being scoped & costed - CenSus ICT will be in a position to decide which way to go forwards during this financial year.
- 5.2 The strategy for Adur Worthing is to progressively transfer the hosting of applications and associated data to external Cloud based providers (adopting Infrastructure as a Service) – a Project is currently underway to develop a detailed scope & schedule for this work to commence at the earliest opportunity.

## **6.0 Recommendation**

- 6.1 The Joint Governance Committee is asked to note the contents of the report.

### **Local Government Act 1972**

#### **Background Papers:**

None.

#### **Contact Officer:**

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Ward: All

## **Joint Independent Remuneration Panel Report on the Scheme of Members Allowances for Adur District Council and for Worthing Borough Council**

### **Report by the Director for Communities**

#### **1.0 Summary**

- 1.1 To receive a report from the Joint Independent Remunerations Panel (JIRP) on Members allowances for Adur District Council and Worthing Borough Council, for the municipal years 2016/17, which recommends that the Councils (via this Joint Committee) consider the attached reports and the proposals therein.

#### **2.0 Background**

- 2.1 The Local Authorities (Members' Allowances) Regulations 2001 requires local authorities to establish an Independent Remuneration Panel to make recommendations about the levels of allowances payable to Members.
- 2.2 The Panel Members were advised and supported by Officers from Finance and Democratic Services and have submitted a report that is attached as appendix A.
- 2.3 The Panel undertook a consultation exercise with Members as well as considering comparative data with other local authorities.

#### **3.0 Proposals**

- 3.1 That the Joint Governance Committee consider the report of the JIRP and make recommendations to Adur District Council and Worthing Borough Council on the level of Members' Allowances for the municipal years 2016/17

#### **4.0 Legal**

- 4.1 An Independent Remuneration Panel is a requirement of the Local Authorities (Members' Allowances) Regulations 2003 (The 2003 Regulations).
- 4.2 The 2003 Regulations states that before an authority makes or amends a scheme, the authority shall have regard to the recommendations made in relation to it by an independent remuneration panel
- 4.3 The 2003 Regulations sets out the role of the independent remuneration panel to make recommendations to the authority as to the amount of basic allowance which

should be payable to its elected members. There is also the authority to make recommendations regarding special responsibility allowances (SRA) – and the roles and responsibilities for which the SRA applies, expenses or arranging the care of children and dependants.

## 5.0 Financial implications

5.1 The current proposals put forward by the Joint Independent Remuneration Panel will have different impacts upon the two Councils. The options outlined within the reports for Adur District Council will result in growth within the 2016/17 revenue budget principally due to the suggesting of harmonising the ‘allowance units’ as follows:

		2016/17 draft budget £	Estimated cost £	Estimated growth £
Option 1:	2% increase	164,940	188,230	23,290
Option 2:	2% increase + £100	164,940	192,880	27,940
Option 3:	4% increase	164,940	192,000	27,060

The details of the proposed allowances for Adur District Council are included in the appendix at the end of the report.

5.2 The proposals for a 2% increase together with the increase to some individual allowances will result in growth of £7,120 for Worthing Borough Council. Details of the individual allowances are included in the appendix at the end of the report.

## 6.0 Recommendation

6.1 The Committee is requested to consider the report and recommendations of Independent Remuneration Panel and to recommend to Adur District Council the level of Members’ Allowances for the municipal years 2016/17.

6.2 The Committee is requested to consider the report and recommendations of Independent Remuneration Panel and to recommend to Adur District Council the level of Members’ Allowances for the municipal years 2016/17.

## **Local Government Act 1972**

### **Background Papers:**

Local Authority (Members' Allowances) Regulations 2003

Guidance on members' allowances for local authorities in England available from [www.communities.gov.uk](http://www.communities.gov.uk)

### **Contact Officer:**

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## Schedule of Other Matters

### **1.0 Council Priority**

1.1 Matter considered and no issues identified.

### **2.0 Specific Action Plans**

2.1 Matter considered and no issues identified.

### **3.0 Sustainability Issues**

3.1 Matter considered and no issues identified.

### **4.0 Equality Issues**

4.1 Matter considered and no issues identified.

### **5.0 Community Safety Issues (Section 17)**

5.1 Matter considered and no issues identified.

### **6.0 Human Rights Issues**

6.1 Matter considered and no issues identified.

### **7.0 Reputation**

7.1 Matter considered and no issues identified.

### **8.0 Consultations**

8.1 There are no consultation implications as the Panel is the consultee, however the Council must arrange publication of the panel's recommendation, the council's response and at the end of the year the actual amounts paid to each councillor.

### **9.0 Risk Assessment**

9.1 Matter considered and no issues identified.

### **10.0 Health & Safety Issues**

10.1 Matter considered and no issues identified.

### **11.0 Procurement Strategy**

11.1 Matter considered and no issues identified.



## **12.0 Partnership Working**

- 12.1 The impact of partnership working has been considered previously with a Joint Panel for Adur and Worthing Councils producing independent reports for the specific council.



**REPORT OF ADUR AND WORTHING COUNCILS  
JOINT INDEPENDENT REMUNERATION PANEL  
ADUR DISTRICT COUNCIL  
November 2015**

**1.0 Introduction**

The Local Government Act 2000 and the Local Authority (Members' Allowances) (England) Regulations 2001 require local authorities to set up an independent panel to review Member Allowances. These regulations specifically abolished the payment of Attendance Allowances and also allowed for a dependent carers' allowance. These regulations have been subsequently updated by further acts and regulations.

**2.0 Composition of the Panel**

2.1 The current composition of the Council's Joint Independent Remuneration Panel (JIRP) is:-

Mr Barry Hillman (Chairman)  
Ms Verity Lockhart  
Mr Andrew Murton  
Ms Barbara Nye  
Mr Martin Phillips  
1 x Vacancy

**3.0 Terms of Reference**

3.1 The Panel's terms of reference are set out below:-

The Panel shall, unless a Council has adopted a scheme under (f) below which has been in place for less than 4 years, by 31<sup>st</sup> January 2015 and thereafter by the 30<sup>th</sup> November each year, including 2015, produce a Report making recommendations to each of the Borough, District and Parish Councils as to:

- a) the amount of the basic allowance which should be payable to its Elected and Co-opted Members;
- b) the responsibilities, roles or duties where special responsibility allowance should be payable and the amount of such allowances (District and Borough Councils only);
- c) the amount of any travelling and subsistence allowance which should be payable to its Elected and Co-opted Members
- d) whether dependants' carers' allowance should be payable and the amount of such allowance;
- e) whether payment of allowances may be backdated in cases where a scheme is amended at a time which would affect allowances payable in that year;

- f) whether adjustments to the level of allowances may be determined according to an index, and which index and for how long before its use is reviewed (subject to a maximum of 4 years);
- g) those items of expenditure that Elected and Co-opted Members may reclaim as expenses; and
- h) any other Members' allowances or reimbursement matters reasonably falling within the remit of the Panel; this may include to relevant bodies on matters of joint working and parity;
- i) such other functions as may be allocated to the Panels by Statute.

3.2 The Panel's Reports shall be submitted to the Councils by way of the Joint Governance Committee.

#### **4.0 Background Papers**

4.1 In preparing its recommendations the Panel considered the following research provided by the Council's Officers which detailed:-

- the current budget provision made for Members' Allowances;
- the current scheme of Members' Allowances paid to Members;
- the previous report of the joint independent remuneration panel;
- Members Allowances paid by other local authorities in the south east were obtained from South East Employers (SEE);
- the current scheme of allowances paid to Members of Worthing Borough Council;
- Part 4 of the Consitutions of Adur District Council and Worthing Borough Council;
- Fees and charges for babysitting and caring

4.2 Group Leaders were canvassed on their views regarding levels of allowance

4.3 All Members were offered the opportunity to submit their thoughts via a Survey which was circulated electronically to all Members on the 14 September 2015. The Survey results were presented to the Panel at its meeting on the 15 October 2015.

4.4 The panel interviewed several members on their views

#### **5.0 General Principles**

5.1 The Members' Allowances scheme recognises that public service, rather than material reward, should remain the primary motivation for involvement in local government, whilst at the same time, it should aim to attract and retain Members who are representative of the demographic make-up of the District.

5.2 That the level of Basic Allowance paid to Adur Councillors is significantly lower than that of Authorities in the South East and Neighbouring Authorities and significantly lower than its close partner, Worthing Borough Council.

- 5.3 That the workloads of individual Councillors will vary according to their roles.
- 5.4 That there are expenses associated with being a Member of the Council.
- 5.5 That Chairmen and Vice Chairmen on the Council's Committees and the Executive Members carry out the same duties as their Worthing counterparts but on the whole receive a significantly lower Special Responsibility Allowance in cash amount and in terms in the level of multiplier

## **6.0 Basic Allowance**

- 6.1 The Panel has noted that the basic allowance in Adur is the third lowest in the Southeast and is currently approximately 17% less than its partner authority in Worthing. It had previously been argued that this difference was accounted for by the different sizes of the authorities however, the Panel does not agree with this view and believes that the role carried out by members is similar across both areas. Members noted that survey results indicated that members spent similar amounts of time on work associated with the Council.
- 6.2 The Panel is of the opinion that Adur Councillors are underpaid when compared to other authorities in the south east and its partner authority to the West. The Panel has concluded that it would recommend to the Council introducing parity with the basic allowance of Worthing Borough Council.
- 6.3 The Panel realises that significant expenditure would be needed to achieve this aim so is recommending a graduated increment with the aim to achieving near parity over a period of seven years. The level of increment should be reviewed annually.

## **7.0 Claiming of more than one Special Responsibility Allowance**

- 7.1 Members considered the question of the claiming of more than one allowance. It was determined that each Special Responsibility came with an increased workload and that this increased workload should be recognised by payment of a Special Responsibility Allowance, therefore the Panel recommends that there should be no limit to the number of special responsibilities paid to an individual Member should they be carrying out multiple special responsibilities.

## **8.0 Special Responsibility Allowance Parity**

- 8.1 The Panel gave consideration to the harmonising of Special Responsibility Allowances between Adur and Worthing based upon the high level of joint working between the two Councils. At present, the multipliers for calculating SRAs vary between the two authorities, there are some significant variances.
- 8.2 On the whole Joint Committee, Chairmen, Vice-Chairman and Executive Members across Adur and Worthing have similar roles and responsibilities as set out in part 4 of both Councils' Constitutions. Using the comparative data the Panel had collated and interviews that it had conducted, the Panel considered that the positions of Special Responsibility across Adur and Worthing were similar in comparison. It is

therefore recommending that the Council amend the Special Responsibility Allowances in Adur to match those in Worthing.

## **9.0 Consideration**

9.1 The Panel is aware that the following proposals before members represent an increase of note to the Members Allowance budget for 2016/17, however on balance, the Panel felt Members of Adur are being underpaid for the contribution that they make and it is hoped that if adopted, the proposals go some way to redressing that imbalance.

## **10 Proposals**

10.1 The Panel proposes two options for the Councils consideration as justified below

- (i) The Panel believes that the current level of basic allowance is low in comparison with neighbouring authorities and other similar authorities in the South East;
- (ii) The Panel acknowledged that as a result of joint working, the basic allowances of Adur and Worthing Councillors should be more closely aligned in the short term and have parity in the long term;
- (iii) The Panel has acknowledged that as a result of joint working, there is some justification for matching SRA multipliers across Adur and Worthing Councils;
- (iv) The Panel is satisfied that the levels currently paid at Worthing Borough Council represent a fair recompense for the additional burden placed upon the time and obligation required to carry out those Special Responsibilities by an individual.

### **10.2 Option 1**

10.2.1 This option is indexed to the Officer's NJC National Pay Bargaining agreement plus an increase of £100 to the basic allowance for 2016/17.

10.2.2 It is proposed that the unit based multiplier model be revised to mirror that used to set the allowances of Worthing Borough Council. The suggested multiples to be used for calculating each Special Responsibility Allowance are outlined in Appendix 1

10.2.3 It is proposed that there should be no limit to the number of special responsibilities paid to an individual Member should they be carrying out multiple special responsibilities.

### **10.3 Option 2**

10.3.1 The panel recognises the financial implications of implementing option 1 and is therefore suggesting a less expensive option as laid out below and set out in appendix 1

10.3.2 This option is indexed to the Officer's NJC National Pay Bargaining agreement plus an increase of 2% to the basic allowance for 2016/17.

10.3.3 It is proposed that the unit based multiplier model be revised to mirror that used to set the allowances of Worthing Borough Council. The suggested multiples to be used for calculating each Special Responsibility Allowance are outlined in Appendix 1.

10.3.4 It is proposed that there should be no limit to the number of special responsibilities paid to an individual Member should they be carrying out multiple special responsibilities.

#### **10.4 Childcare Allowance / Carers Allowance / Travel and Subsistence Allowance (applicable to both option 1 and option 2)**

10.4.1 It is proposed that Childcare Allowance (contribution towards the costs of employing a carer for children) should be paid at £10.25 per hour, the panel investigated this cost and found that £10.25 was sufficient to cover the costs of childcare and should be maintained at this rate.

10.4.2 Having investigated the costs of carers (carers for sick and / or disabled / elderly dependants) the panel were of the view that the rate for carers allowance should be differentiated from the child care allowance and set at up to £15 per hour.

10.4.3 It is proposed that Travelling and Subsistence should be paid at the appropriate rates set by the National Joint Council for Local Government Services from time to time and based on claims submitted by Members.

#### **11.0 Recommendation**

11.1 The Panel recommends that the Council adopts option 1, but if that is not acceptable, adopts option 2 instead.

**Mr Barry Hillman (Chairman)**

**Ms Verity Lockhart**

**Mr Andrew Murton**

**Ms Barbara Nye**

**Mr Martin Phillips**

# Members' Allowances



Notes

Harmonising of SRA denominators  
2% NJC Pay Award

Harmonising of SRA denominators  
2% NJC Pay Award  
Plus £100 increase to SRA

OPTION 1  
OPTION 2  
Harmonising of SRA denominators  
2% NJC Pay Award  
Plus additional 2% increase to SRA

	Adur allowance 2015/16 (5% increase) wef 13/6/14 - 12/6/15				Adur allowance 2016/17 increase 2%				Adur allowance 2016/17 increase 2%				Adur allowance 2016/17 increase 2%			
	No.	Units	per Member £	Total £	No.	Units	per Member £	Total £	No.	Units	per Member £	Total £	No.	Units	per Member £	Total £
<b>Basic Allowance</b>	29	1	3,969	115,101	29	1	4,048	117,392	29	1	4,148	120,292	29	1	4,129	119,741
<b>Special Responsibility Allowances</b>																
Leader of the Council	1	2.5	9,923	9,923	1	3	12,144	12,144	1	3	12,444	12,444	1	3	12,387	12,387
Deputy Leader	1	1	3,969	3,969	1	1.5	6,072	6,072	1	1.5	6,222	6,222	1	1.5	6,194	6,194
<b>Executive Portfolio Holders</b>																
Environment	1	1	3,969	3,969	1	1.25	5,060	5,060	1	1.25	5,185	5,185	1	1.25	5,161	5,161
Health and Wellbeing	1	1	3,969	3,969	1	1.25	5,060	5,060	1	1.25	5,185	5,185	1	1.25	5,161	5,161
Customer Services	1	1	3,969	3,969	1	1.25	5,060	5,060	1	1.25	5,185	5,185	1	1.25	5,161	5,161
Leader	1	1	3,969	3,969	1	1.25	5,060	5,060	1	1.25	5,185	5,185	1	1.25	5,161	5,161
Regeneration	1	1	3,969	3,969	1	1.25	5,060	5,060	1	1.25	5,185	5,185	1	1.25	5,161	5,161
Resources	1	1	3,969	3,969	1	1.25	5,060	5,060	1	1.25	5,185	5,185	1	1.25	5,161	5,161
Main Opposition Leader	1	0.25	992	992	1	0.5	2,024	2,024	1	0.5	2,074	2,074	1	0.5	2,065	2,065
<b>Chairpersons</b>																
Council	1	0.5	1,985	1,985	1	0.5	2,024	2,024	1	0.5	2,074	2,074	1	0.5	2,065	2,065
Planning Committee	1	0.5	1,985	1,985	1	1	4,048	4,048	1	1	4,148	4,148	1	1	4,129	4,129
Joint Overview & Scrutiny	1	0.5	1,985	1,985	1	0.75	3,036	3,036	1	0.75	3,111	3,111	1	0.75	3,097	3,097
Licensing	1	0.25	992	992	1	0.75	3,036	3,036	1	0.75	3,111	3,111	1	0.75	3,097	3,097
Joint Governance Committee	1	0.5	1,985	1,985	1	0.5	2,024	2,024	1	0.5	2,074	2,074	1	0.5	2,065	2,065
Joint Staff Committee																
Joint Senior Staff Committee																
Joint Senior Staff Appeals Committee																
<b>Vice Chairpersons</b>																
Council	1	0.25	992	992	1	0.25	1,012	1,012	1	0.25	1,037	1,037	1	0.25	1,032	1,032
Planning Committee	1	0.25	992	992	1	0.25	1,012	1,012	1	0.25	1,037	1,037	1	0.25	1,032	1,032
Joint Overview & Scrutiny	1	0.25	992	992	1	0.25	1,012	1,012	1	0.25	1,037	1,037	1	0.25	1,032	1,032
Licensing	1	0.13	496	496	1	0.25	1,012	1,012	1	0.25	1,037	1,037	1	0.25	1,032	1,032
Joint Governance Committee	1	0.25	992	992	1	0.25	1,012	1,012	1	0.25	1,037	1,037	1	0.25	1,032	1,032
Joint Staff Committee																
Joint Senior Staff Committee																
Joint Senior Staff Appeals Committee																
<b>TOTAL</b>				<b>167,194</b>				<b>187,220</b>				<b>191,845</b>				<b>190,966</b>

13000-1001-0

Budget 15/16

£161,710 Budget 16/17 (2% increase)

£164,940 Budget 16/17 (2% increase)

£164,940 Budget 16/17 (2% increase)

£164,940

Growth / (Saving)  
against Budget

£5,484.13

Growth / (Saving)  
against Budget

£22,280

Growth / (Saving)  
against Budget

£26,905

Growth / (Saving)  
against Budget

£26,026



**REPORT OF ADUR AND WORTHING COUNCILS  
JOINT INDEPENDENT REMUNERATION PANEL  
WORTHING BOROUGH COUNCIL  
November 2015**

**1.0 Introduction**

The Local Government Act 2000 and the Local Authority (Members' Allowances) (England) Regulations 2001 require local authorities to set up an independent panel to review Member Allowances. These regulations specifically abolished the payment of Attendance Allowances and also allowed for a dependent carers' allowance. These regulations have been subsequently updated by further acts and regulations.

**2.0 Composition of the Panel**

2.1 The current composition of the Council's Joint Independent Remuneration Panel (JIRP) is:-

Mr Barry Hillman (Chairman)  
Ms Verity Lockhart  
Mr Andrew Murton  
Ms Barbara Nye  
Mr Martin Phillips  
1 x Vacancy

**3.0 Terms of Reference**

3.1 The Panel's terms of reference are set out below:-

The Panel shall, unless a Council has adopted a scheme under (f) below which has been in place for less than 4 years, by 31<sup>st</sup> January 2015 and thereafter by the 30<sup>th</sup> November each year, including 2015, produce a Report making recommendations to each of the Borough, District and Parish Councils as to:

- a) the amount of the basic allowance which should be payable to its Elected and Co-opted Members;
- b) the responsibilities, roles or duties where special responsibility allowance should be payable and the amount of such allowances (District and Borough Councils only);
- c) the amount of any travelling and subsistence allowance which should be payable to its Elected and Co-opted Members
- d) whether dependants' carers' allowance should be payable and the amount of such allowance;
- e) whether payment of allowances may be backdated in cases where a scheme is amended at a time which would affect allowances payable in that year;

- f) whether adjustments to the level of allowances may be determined according to an index, and which index and for how long before its use is reviewed (subject to a maximum of 4 years);
- g) those items of expenditure that Elected and Co-opted Members may reclaim as expenses; and
- h) any other Members' allowances or reimbursement matters reasonably falling within the remit of the Panel; this may include to relevant bodies on matters of joint working and parity;
- i) such other functions as may be allocated to the Panels by Statute.

3.2 The Panel's Reports shall be submitted to the Councils by way of the Joint Governance Committee.

#### **4.0 Background Papers**

4.1 In preparing its recommendations the Panel considered the following research provided by the Council's Officers which detailed:-

- the current budget provision made for Members' Allowances;
- the current scheme of Members' Allowances paid to Members;
- the previous report of the joint independent remuneration panel;
- Members Allowances paid by other local authorities in the south east were obtained from South East Employers (SEE);
- Part Four of the Constitution of Worthing Borough Council
- Fees and charges for babysitting and caring

4.2 All Members were offered the opportunity to submit their thoughts via a Survey which was circulated electronically to all Members on the 14 September 2015. The Survey results were presented to the Panel at its meeting on the 15 October 2015.

4.3 Group Leaders were canvassed on their views regarding levels of allowance

4.3 The panel interviewed several members in the course of their review

#### **5.0 General Principles**

5.1 The Members' Allowances scheme recognises that public service, rather than material reward, should remain the primary motivation for involvement in local government, whilst at the same time, it should aim to attract and retain Members who are representative of the demographic make-up of the Borough.

5.2 That the level of Basic Allowance paid to Worthing Borough Council is at a similar level to other Boroughs throughout the Southeast area.

5.3 That the workloads of individual Councillors will vary according to their roles.

5.4 That there are expenses associated with being a Member of the Council.

## **6.0 Basic Allowance**

- 6.1 The Panel noted from Survey responses that the majority of Members felt that the current level of allowances was satisfactory although some felt that a higher level of allowances could attract a more diverse range of members including younger people, the panel also noted from interviews that in recent years there had been an increase in the number of younger elected members. On balance the Committee felt that it was reasonable for members to expect some increase in the level of allowances.
- 6.2 The Panel has noted that over the previous four years that the basic allowance had been indexed to the Officer's NJC National Pay Bargaining agreement and believe that the principal of linking the basic allowance to raises in Officer remuneration is a good method and should be retained.

## **7.0 Claiming of more than one Special Responsibility Allowance**

- 7.1 Panel members considered the question of the claiming of more than one allowance. It was determined that each Special Responsibility comes with an increased workload and that this increased workload and responsibility should be recognised by payment of a Special Responsibility Allowance, therefore the panel recommends that there should be no limit to the number of Special Responsibility Allowances paid to an individual Member.
- 7.2 It is the Panel's contention that if a Member is carrying out a Special Responsibility he/she should be remunerated for it.

## **8.0 Vice Chairman of the Joint Governance Committee (JGC)**

- 8.1 The Panel has noted that under the current scheme no allowance is paid to the Vice Chairman of the Joint Governance Committee. During the review the Panel took evidence on the workload of the position. The Panel believe that the Vice Chairman is required to carry out the same pre-meeting preparation as the Chairman of the Committee, which is significant given the nature of the papers submitted to the JGC. Bearing this in mind the Panel is recommending that the Vice-Chair be paid a Special Responsibility Allowance of (x 0.25) in line with other Vice-Chairs.

## **9.0 The Licensing Committee**

- 9.1 During the review the Panel received a representation from the Licensing Committee Chair on the work of the Licensing Committee. The representation asked that the panel consider recommending a small allowance for those members who attended Sub-Committees and that the SRA of the Licensing Chair be increased given that the workload of the Chairman was large and the decisions of the Committee were of significant consequence to residents and businesses in the Borough.

- 9.2 The Panel considered that there was some additional workload relating to the attendance of members on Sub-Committees but felt that this would be difficult to budget for and that other Committees had Sub-Committees and Working Groups such as JGC and JOSC, so on balance has not decided to recommend that an allowance be paid for Licensing Sub-Committee attendance.
- 9.3 The Panel agreed with the Chairman that the work of the Committee had significant bearing on individuals and businesses of the Borough and was a position of real responsibility. The Panel acknowledged that the Chairman of the Committee Chaired the majority of meetings including Sub-Committee meetings (Joint Committee Chairs only chair for six months). Based upon these contentions the Panel has decided to recommend a raise on the allowance multiplier for the Licensing Committee Chairman from (x 0.5) to (x 0.75).

## **10. The Mayor**

- 10.1 The Mayor in Worthing currently receives no Special Responsibility Allowance for the work that takes place in relation to the Chairing of the Full Council. The Panel recognises that the role of Chairing the Full Council is a difficult one because of the size of the meeting and also the nature of the business conducted at that meeting. The Panel is aware that the mayor does receive some remuneration in connection with Civic work but feels that the 'Chairing of the Council' role should be paid. The Panel is recommending that the Council institute a Special Responsibility Allowance for the Mayor with a multiplier of (x 0.5).

## **11.0 Proposals**

- 11.1 The Panel proposes the following for the Councils consideration.

- i) that the basic allowance be referenced to the outcome of the Officers' NJC Pay bargaining agreement for a period of four years until March 2020/2021;
- ii) that Members be allowed the option to accept more than one Special Responsibility Allowance should they be undertaking more than one special responsibility;
- iii) that a Special Responsibility Allowance multiplier of (x 0.25) be introduced for the Vice Chairman of the Joint Governance Committee;
- iv) that the Special Responsibility Allowance for the Chairman of the Licensing Committee be raised to (x 0.75);
- v) that a Special Responsibility Allowance multiplier of (x 0.5) be introduced for the Mayor of Worthing.

## **11.2 Childcare Allowance / Carers Allowance / Travel and Subsistence Allowance**

- 11.3 It is proposed that Childcare Allowance (contribution towards the costs of employing a carer for children) should be paid at £10.25 per hour, the panel investigated this cost and found that £10.25 was sufficient to cover the costs of childcare and should be maintained at this rate.

- 11.4 Having investigated the costs of carers (carers for sick and / or disabled / elderly dependants) the panel were of the view that the rate for carers allowance should be differentiated from the child care allowance and set at up to £15 per hour.
- 11.5 It is proposed that Travelling and Subsistence should be paid at the appropriate rates set by the National Joint Council for Local Government Services from time to time and based on claims submitted by Members.

## **12.0 Recommendations**

- 12.1 It is recommended that the Councils adopt the members scheme of allowances in line with the panel's proposals

**Mr Barry Hillman (Chairman)**

**Ms Verity Lockhart**

**Mr Andrew Murton**

**Ms Barbara Nye**

**Mr Martin Phillips**

## Members' Allowances - Worthing

Option 1

2% NJC Pay Award

Plus harmonising of SRA denominators

	Worthing allowance 2015/16 based of officers pay award wef 1/1/15				Worthing allowance 2016/17 based of officers pay award wef 1/4/16 2% estimate			
	No.	Units	per Member £	Total £	No.	Units	per Member £	Total £
<b>Basic Allowance</b>	37	1	4,645	171,865	37	1	4,738	175,302
<b>Special Responsibility Allowances</b>								
Leader of the Council	1	3	13,935	13,935	1	3	14,214	14,214
Deputy Leader	1	1.5	6,967	6,967	1	1.5	7,107	7,107
Executive Portfolio Holders								
Environment	1	1.25	5,806	5,806	1	1.25	5,922	5,922
Health and Wellbeing	1	1.25	5,806	5,806	1	1.25	5,922	5,922
Customer Services	1	1.25	5,806	5,806	1	1.25	5,922	5,922
Leader		1.25	5,806	0	1	1.25	5,922	5,922
Regeneration	1	1.25	5,806	5,806	1	1.25	5,922	5,922
Resources	1	1.25	5,806	5,806	1	1.25	5,922	5,922
Main Opposition Leader	1	0.5	2,322	2,322	1	0.5	2,369	2,369
Main Opposition Deputy Leader	1	0.25	1,161	1,161	1	0.25	1,184	1,184
<b>Chairpersons</b>								
Council/Mayor	1	0	0	0	1	0.5	2,369	2,369
Planning Committee	1	1	4,645	4,645	1	1	4,738	4,738
Licensing	1	0.5	2,322	2,322	1	0.75	3,553	3,553
Joint Overview & Scrutiny	1	0.75	3,484	3,484	1	0.75	3,553	3,553
Joint Governance Committee	1	0.5	2,322	2,322	1	0.5	2,369	2,369
Joint Staff Committee								
Joint Senior Staff Committee								
Joint Senior Staff Appeals Committee								
<b>Vice Chairpersons</b>								
Council	1	0	0	0*	1	0	0	0
Planning Committee	1	0.25	1,161	1,161	1	0.25	1,184	1,184
Licensing	1	0.25	1,161	1,161	1	0.25	1,184	1,184
Joint Overview & Scrutiny	1	0.25	1,161	1,161	1	0.25	1,184	1,184
Joint Governance Committee	1	0	0	0	1	0.25	1,184	1,184
Joint Staff Committee								
Joint Senior Staff Committee								
Joint Senior Staff Appeals Committee								
<b>TOTAL</b>				<b>241,539</b>				<b>257,031</b>

13000-1001-0

Budget 15/16

£245,010

Budget 15/16/7 2% increase

£249,910

Growth / (Saving) against  
Budget

£3,470.52

Growth / (Saving) against  
Budget

£7,121

Actual Spend 14/15

£228,588

## Risk Management Annual Report 2014/15

### Report by the Director for Digital & Resources

#### 1.0 Summary

1.1 This report outlines the progress of risk management during 2014/15.

#### 2.0 Background

2.1 The former Joint Governance and Audit Committee received the previous report on the Risk Management Annual report for 2013/14 at the meeting on 26 June 2014. Since that meeting progress has continued to be made to monitor and review the full Risk registers:-

- Regular bi monthly reports on Corporate Risks are reported to the Councils Leadership Team for monitoring and review;
- Executive Members receive the details of Corporate Risks;
- All Service Risks are regularly updated in consultation with Directors and Service Heads;
- All risks are now monitored in a free to use app called 'Trello'. Trello Boards have been created for the Risk Registers.

2.2 Details of the latest Risks can be viewed by using Trello at:-

[Corporate Risks](#)

[Communities Directorate Service Risks](#)

[Customer Services Directorate Service Risks](#)

[Digital and Resources Directorate Service Risks](#)

[Economy Directorate Service Risks](#)

2.3 It should be noted that there is some information provided in the reports attached to the Trello Boards which is of a commercially sensitive and/or confidential nature, therefore, these are not to become broader public documents at this stage but are used for internal management purposes only.

2.4 A review of the current Risk Management Strategy will be undertaken later in 2015/early 2016 to reflect changes to the way Risks/Opportunities are managed in the Councils. In accordance with the Constitution this will be reported to the

Leaders for approval.

### **3.0 Proposals**

3.1 That the Committee notes the continued progress in improving risk management and the current status of the risks.

### **4.0 Legal**

4.1 There are no legal matters arising as a result of this report.

### **5.0 Financial implications**

5.1 There are no direct financial implications arising from this report. However, some of the risks do have potential cost implications.

### **6.0 Recommendation**

6.1 That the Joint Governance Committee notes the continued progress in improving risk management arrangements in 2014/15 and the current status of the Risks.

### **Local Government Act 1972 Background Papers:**

None.

### **Contact Officer:**

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Policy Officer  
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[mark.lowe@adur-worthing.gov.uk](mailto:mark.lowe@adur-worthing.gov.uk)



## **Schedule of Other Matters**

### **1.0 Council Priority**

1.1 Matter considered and no issues identified.

### **2.0 Specific Action Plans**

2.1 Matter considered. Internal Audit reports.

### **3.0 Sustainability Issues**

3.1 Matter considered and no issues identified.

### **4.0 Equality Issues**

4.1 Matter considered.

### **5.0 Community Safety Issues (Section 17)**

5.1 Matter considered. Some of the Risks may impact on community safety issues.

### **6.0 Human Rights Issues**

6.1 Matter considered and no issues identified.

### **7.0 Reputation**

7.1 Matter considered. Some of the Risks may impact on the reputation of the Council if they do occur.

### **8.0 Consultations**

8.1 Matter considered and no issues identified.

### **9.0 Risk Assessment**

9.1 Matter considered. Any areas of risk are identified in the Risk registers.

### **10.0 Health & Safety Issues**

10.1 Matter considered and no issues identified.

### **11.0 Procurement Strategy**

11.1 Matter considered and no issues identified.

## **12.0 Partnership Working**

12.1 Matter considered. The Risk registers are joint registers for Adur and Worthing.

Ward: All

## Review of Code of Corporate Governance

### Report by the Director for Digital & Resources

#### 1.0 Summary

- 1.1 It is good practice for each Local Authority to have a Code of Corporate Governance, to ensure that an effective internal system encompassing policies, procedures and staff is maintained.
- 1.2 This report recommends the adoption of a Code of Corporate Governance for both Adur District Council and Worthing Borough Council.

#### 2.0 Background

- 2.1 Adur District Council has adopted a Code of Corporate Governance which has not been reviewed or updated since 2008. Worthing Borough Council does not have a Code of Corporate Governance.
- 2.2 A Code of Corporate Governance for each Council should be adopted by Council and form part of their Council Constitutions. They should be reviewed on an annual basis, updated where required and published to ensure all relevant parties are aware of their requirements.
- 2.3 Without a Code of Corporate Governance, there is an increased risk that the Councils cannot effectively demonstrate accountability and due diligence.
- 2.4 Corporate Governance can be defined as

Ensuring the organisation is doing the right things, in the right way, for the right people, in an open, honest, inclusive and timely manner.

How the local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.

2.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) provide a framework for developing and maintaining a Local Code of Corporate Governance and for discharging accountability for the proper conduct of public business.

2.6 The CIPFA/SOLACE guidance 'Delivering Good Governance in Local Government (2012) identified 6 core principles against which local authorities should review their existing corporate governance arrangements and develop and maintain a Local Code of Governance. These 6 principles are:

Focusing on the Council's purpose and outcomes for the community and implementing a vision for the local area.

Members and officers working together to achieve a common purpose with clearly defined functions and roles.

Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour

Taking informed and transparent decisions which are subject to scrutiny and managing risks

Developing the capacity and capability of Members and officers to be effective.

Engaging with local people and other stakeholders to ensure robust public accountability.

2.7 In addition to having a Code of Corporate Governance, the Councils are required to have an Annual Governance Statement. The Statement is a comment on the totality of good corporate governance and is published with the statutory annual statement of accounts.

### **3.0 Proposals**

3.1 A revised Code of Corporate Governance has been produced and is attached at appendix A. It is proposed that it be adopted by both Adur District Council and Worthing Borough Council, that it form part of both Councils' constitutions, and that it be reviewed by the Joint Governance Committee on an annual basis.

### **4.0 Legal**

4.1 Guidance on a Local Authorities Code of Corporate Governance is provided by CIPFA / SOLACE and is entitled 'Delivering Good Governance in Local Government (2012)'.

4.2 The Solicitor to the Councils in her role as Monitoring Officer, the Chief Finance Officer in her role as s151 Officer, and the Director of Digital and Resources, being

responsible for Legal and Finance, have been closely involved in the preparation, review and publication of the Code of Corporate Governance.

## **5.0 Financial implications**

5.1 There are no direct costs or other financial implications involved with the production of the Code of Corporate Governance.

## **6.0 Recommendation**

6.1 The Joint Governance Committee is asked to approve the proposed Code of Corporate Governance as set out in Appendix A, and to recommend to Adur District Council and Worthing Borough Council its inclusion in both Council's constitutions.

## **Local Government Act 1972**

### **Background Papers:**

Report to Constitution and Audit Committee 30th June 2008  
Delivering Good Governance in Local Government 2012

### **Contact Officer:**

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## **Schedule of Other Matters**

### **1.0 Council Priority**

1.1 [Set out which of the Council's priorities the proposal meets and how. ]

### **2.0 Specific Action Plans**

2.1 (A) [Set out the specific outcomes from the Corporate Plan the proposal is aimed at achieving and how]  
(B) [Set out any specific government target the proposal is aimed to achieve]

### **3.0 Sustainability Issues**

3.1 [Details of any sustainability issues, checklist to be completed and submitted to Community Wellbeing]

### **4.0 Equality Issues**

4.1 [Details of any equality issues or how the proposal improves the current position]

### **5.0 Community Safety Issues (Section 17)**

5.1 [Details of how the proposal helps reduce crime and disorder and to meet the Council's duty regards crime and disorder reduction targets]

### **6.0 Human Rights Issues**

6.1 [Does the proposal impinge on anyone's human rights and if so how is it justified under the Human Rights Act? Human rights include:  
Right to a fair trial, respect for family life, private life, home and correspondence, freedom of thought, expression, assembly and association and protection and quiet enjoyment of property and possessions. Also ask, is the action proportionate to the anticipated response or outcome?]

### **7.0 Reputation**

7.1 [Is the proposal likely to have an impact on the reputation of the Council(s)]

### **8.0 Consultations**

8.1 (A) [Details of relevant internal (staff UNISON etc) and external (including Stakeholder Groups; etc.) consultation]  
(B) Include how have you used the feedback from the consultation in this proposal

### **9.0 Risk Assessment**

9.1 [Details of risks of doing or not doing? Are there insurance or public liability issues? Is there a statutory duty on the Council to do what is proposed and what are the

consequences of not doing it? Highlight if this report meets an element in the corporate business continuity plan]

## **10.0 Health & Safety Issues**

10.1 [Details of any health and safety issues]

## **11.0 Procurement Strategy**

11.1 [Confirm that the report complies with the Procurement Strategy or explain why the Strategy had not been complied with. Include how your recommendation meets the strategy making reference to Best Value principles if necessary]

## **12.0 Partnership Working**

12.1 [Detail any partnership working the report/proposal seeks to promote]





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## CODE OF CORPORATE GOVERNANCE

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### 1.0 INTRODUCTION

Governance is about how local government bodies ensure they are doing the right things, in the right way, for the right people, in a timely, inclusive, open and honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.

Adur District Council and Worthing Borough Council are committed to the practise of good governance: ensuring good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes for citizens and service users.

### 2.0 THE PRINCIPLES OF GOOD GOVERNANCE

The Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) provide a framework for developing and maintaining a Local Code of Corporate Governance and for discharging accountability for the proper conduct of public business.

The CIPFA / SOLACE guidance Delivering Good Governance in Local Government (2012) identified six core principles against which local authorities should review their existing corporate governance arrangements and develop and maintain a Local Code of Governance.

The six principles are:

- Focussing on the Councils' purpose and outcomes for the community and implementing a vision for the local area.
- Members and Officers working together to achieve a common purpose with clearly defined functions and roles.
- Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
- Taking informed and transparent decisions which are subject to scrutiny and managing risk.
- Developing the capacity and capability of Members and Officers to be effective.

- Engaging with local people and other stakeholders to ensure robust public accountability.

Adur District Council and Worthing Borough Council are committed to these six core principles. The Councils' Code of Corporate Governance has been prepared in accordance with the CIPFA / SOLACE guidance. The Code describes how the Councils achieve compliance with each of the core principles to deliver the best outcomes for local communities.

### **Focussing on the Councils' purpose and outcomes for the community and implementing a vision for the local area.**

#### Summary

Good governance ensures we fulfil our purpose and achieve the intended outcomes for our citizens and service users. Good governance also ensures we continue to operate in an effective, economic and ethical manner. We have therefore developed a clear vision of our purpose and intended outcomes which are communicated both within the Council and to external stakeholders and the public, and contained within the document *Catching the Wave*.

#### Supporting Principles of Good Governance

In order to exercise strategic leadership the Councils will:

- o Develop and promote the authority's purpose and vision;
- o Review on a regular basis the authority's vision for the local area and its impact on the authority's governance arrangements;
- o Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by the parties;
- o Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance.

In order to ensure users have quality services the Councils will:

- o Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available;
- o Put in place effective arrangements to identify and deal with failure in service delivery.

In order to ensure the Councils make best use of resources and that tax payers and service users receive excellent value for money the Councils will:

- o Decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively.

- o Measure the environmental impact of policies, plans and decisions.

### Evidence of Commitment to these Principles

- o Catching the Wave – Details the Councils’ strategic plan and identifies four corporate priorities. The plan is widely promoted through the Councils’ website.
- o Surf’s Up – Sets out the Councils’ ambitious vision and details how the strategic plan will be implemented and corporate priorities achieved.
- o Councils’ Constitution – Sets out the governance arrangements and procedural requirements for the business of the Councils.
- o Joint Committee Agreement – sets out the roles and responsibilities for partnership working between Adur District Council and Worthing Borough Council, and the Census Joint Committee Agreement sets out the roles and responsibilities for partnership working between Adur District Council, Horsham District Council and Mid Sussex District Council.
- o Local Development Framework – A series of Local Development Documents that deliver the spatial planning strategy for the District/Borough.
- o Medium Term Financial Strategy – links the Councils’ finances to the Corporate Priorities and sets out strategic financial policies, a medium term financial forecast and budget guidelines for the forthcoming year.
- o Annual Statement of Accounts – a mainly financial document listing achievements for the previous year as well as setting out longer term aims.
- o Trello Boards for Performance Dashboard and Risk Registers– records performance in relation to a range of key and local performance measures which form part of performance dashboard information and also details of Corporate and Service level risks which are reported to the Corporate Leadership Team on a regular basis.
- o Benchmarking – provides comparisons between our functions and performance to those provided by similar organisations.
- o Comments, Compliments and Complaints System.
- o Contract Standing Orders - outlines the procurement process used by the Councils and how Officers ensure value for money is achieved.
- o Committee Reports – Provide Members with information needed to make decisions.

### **Members and Officers working together to achieve a common purpose with clearly defined functions and roles**

#### Summary

Elected Members are collectively responsible for the governance of the Council. The Local Government Act 2000 introduced new executive arrangements whereby the Councils’ policy framework, budget and key strategies are agreed by Full Council

following proposals from the Executives. The Councils each have a 6 Member Executive responsible for exercising all functions except those reserved to Council and statutory functions such as planning and licensing. In addition, the Councils have Overview and Scrutiny Committees, comprising of non-Executive Members who can question and challenge the decisions and/or performance of the Executives.

The Chief Executive, Directors, Section 151 Officer and Monitoring Officer are responsible for advising Executive and other Committees on legal, financial and other policy considerations.

### Supporting Principles of Good Governance

In order to ensure effective leadership throughout the Council we will:

- o Set out a clear statement of the respective roles and responsibilities of the Executive and of the Executive Members individually and the authority's approach towards putting this into practice;
- o Set out a clear statement of the respective roles and responsibilities of other Authority Members, Members generally and of Senior Officers.

In order to ensure a constructive working relationship exists between Members and Officers we will:

- o Determine a Scheme of Delegations and reserve powers within the Constitution, including a formal schedule of those matters specifically reserved for collective decision of the authority taking into account relevant legislation and ensure that it is monitored and updated when required;
- o Make the Chief Executive responsible and accountable to the authority for all aspects of operational management;
- o Develop protocols to ensure that the Leader and Chief Executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained;
- o Make the Section 151 Officer responsible to the authority for ensuring that appropriate advice is given on all financial matters for keeping proper financial records and accounts, and for maintaining an effective system of internal financial controls;
- o Make the Monitoring Officer responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

To ensure our relationships with partners and public are clear we will:

- o Develop protocols to ensure effective communication between Members and Officers in their respective roles;
- o Set out the terms and conditions for remuneration of Members and Officers and an effective structure for managing the process including an effective job evaluation process for Officers' remuneration and a remuneration panel for Members;
- o Ensure that effective mechanism exists to monitor service delivery;

- o Ensure that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated;
- o When working in partnership ensure that Members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority;
- o When working in partnership ensure that there is clarity about the legal status of the partnership, ensure that representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.

### Evidence of Commitment to these Principles

- o Constitution – sets out how the Council operates, how decisions are made and the procedures and codes of conduct which the Council follows. It also includes the roles of Statutory Officers and their responsibilities relating to compliance with the law and ensuring sound financial control.
- o Role of Members – set out in the Constitution.
- o Terms of Reference for Executive and Executive Members.
- o Monitoring Officer Protocol.
- o Executive Procedure Rules.
- o Overview and Scrutiny Procedure Rules – sets out the terms of reference which includes the role of overseeing the proper and effective administration of the Councils, reviewing the effectiveness of its services and supporting and complimenting the activities of the Executives.
- o Officer Job Descriptions – set out roles and responsibilities of Officers employed by the Councils.
- o Whistleblowing Policy – enables Members and Officers to confidentially report suspected malpractice.
- o Chief Executive and Leader meetings – to ensure effective communication.
- o Pay Policy – the Councils are committed to the principle of Equal Pay for all its employees and adopted a Pay Policy in October 2015.
- o Catching the Wave – sets out the corporate objectives and strategic ambitions.

### **Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour**

#### Summary

Adur and Worthing Councils recognise that good governance is underpinned by shared values and demonstrated in the behaviour of our Members and Officers. Our values (the way in which we will work for the community in pursuing our aims) are set out in Catching the Wave and Surf's Up. The standards of conduct and behaviour we expect of Members and Officers are clearly set out in the Constitution. This is

supported by the Codes of Conduct and a range of training programmes for both Members and staff.

### Supporting Principles of Good Governance

To ensure Members and Officers exemplify good standards of conduct we will:

- o Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect;
- o Ensure that standards of conduct and personal behaviour expected of Members and staff, of work between Members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols;
- o Put in place arrangements to ensure that Members and Officers are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice.

To ensure organisational values are put into practice we will:

- o Develop and maintain shared values including leadership values both for the organisation and staff reflecting public expectations and communicate these with Members, staff, the community and partners;
- o Put in place arrangements to ensure that procedures and operations are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice;
- o Develop and maintain an effective Standards Committee;
- o Use the organisations' shared values to act as a guide for decision-making and as a basis for developing positive and trusting relationships within the authority;
- o In pursuing the vision of a partnership, agree a set of values against which decision-making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively.

### Evidence of Commitment to these Principles

- o Constitution – seeks to define the standards of conduct and personal behaviour expected of Members and Officers.
- o Member Code of Conduct and Officer Code of Conduct.
- o Performance Development Reviews – provide opportunities to review the performance, including standards of conduct and personal behaviour of Officers, as well as identifying any development needs.
- o Comments, Compliments and Complaints System – provides process, clearly publicised on the website, for those wanting to complain to the Council.
- o Data Access Requests – a system is in place to respond to Freedom of Information and Subject Access Requests.
- o Joint Governance Committee and Standards Sub-Committee – promotes and maintains high standards of conduct by Members.

- o Whistleblowing Policy and Ombudsman Complaints System – enables Members, employees and residents to confidentially report suspected malpractice that is in the public interest.
- o Anti-Fraud and Corruption Strategy – designed to encourage prevention and promote detection.
- o Anti-Bribery Policy – this policy outlines the Council’s position on preventing and prohibiting bribery, in accordance with the Bribery Act 2012.
- o Members’ and Officers’ Register of Interests and Gifts and Hospitality – the Council maintains such registers to safeguard both Members and Officers against conflicts of interest. The Members’ Register of Interests and Gifts and Hospitality is available online.
- o Member Induction – following Council Elections, Members undergo a formal induction which includes information about the Council’s vision and corporate priorities, an introduction to the Constitution and in particular the Code of Conduct.

### **Taking informed and transparent decisions which are subject to effective scrutiny and managing risk**

#### Summary

Adur and Worthing Councils recognise that all Council decisions must be accountable and legally sound. As such, we must be able to demonstrate that decision-makers follow a proper process and that all decisions are based on accurate information, including consideration of legal, financial and risk management implications. To ensure that this happens, Adur and Worthing Councils have a range of procedures in place to ensure that decisions are not influenced by prejudice, bias or conflicts on interest.

#### Supporting Principles of Good Governance

In being rigorous and transparent about how decisions are taken we will:

- o Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the Council's performance overall and of any organisation for which it is responsible;
- o Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based;
- o Put in place arrangements to safeguard Members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice;
- o Develop and maintain an effective Audit Committee which is independent of the Executive;
- o Put in place effective transparent and accessible arrangements for dealing with complaints.

In order to ensure we have good quality information and advice we will:

- o Ensure that those making decisions whether for the authority or partnership are provided with information that is fit for the purpose - relevant, timely and gives clear explanations of technical issues and their implications;
- o Ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision-making and used appropriately.

In order to ensure there is an effective system of risk management we will:

- o Ensure that risk management is embedded into the culture of the organisation, with Members and Managers at all levels recognising that risk management is part of their job;
- o Ensure that arrangements are in place for whistleblowing to which staff and all those contracting with the authority have access.

In order to use our legal powers for the full benefit of the community we will:

- o Actively recognise the limits of lawful activity placed on them by, for example the ultra vires doctrine but also strive to utilise powers to the full benefit of their communities;
- o Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law;
- o Observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law - rationality, legality and natural justice - into their procedures and decision-making processes.

#### Evidence of Commitment to these Principles

- o Overview and Scrutiny Committee – this is an established Committee which reviews and monitors the effectiveness of the Councils' services.
- o Report Templates – to ensure that all relevant information is obtained when producing a report for Committee, Executive or Full Council, a standard report template has been adopted. The report format helps to ensure that all matters coming before Member bodies have received appropriate legal and financial vetting before being signed off.
- o Meeting Minutes – the majority of meetings are open to members of the public and minutes of the decisions taken are published on the Councils' website.
- o Constitution – in order to safeguard Members and employees against conflicts of interest, the Constitution contains protocols which describe and regulate the way in which Members and Officers interact with one another.



- o Members' and Officers' Register of Interest and Gifts and Hospitality – the Council maintains a Register of Interests and a Register of Gifts and Hospitality to safeguard both Members and Officers against conflicts of interest.
- o Joint Governance Committee – this Committee, which is independent from the Executive and scrutiny functions, monitors budgets and receives reports on the work of internal and external audit and risk management.
- o Comments, Compliments and Complaints System – a process is clearly outlined on the website for those wishing to complain to the Council. Complaints are monitored and categorised, and reported to Corporate Leadership Team on a regular basis.
- o Data Access Requests – a system is in place to respond to Freedom of Information and Subject Access Requests.
- o Member Training – Members of specific committees receive comprehensive training to equip them with the skills required to carry out their work.
- o Whistleblowing Policy – enables Members and Officers to confidentially report suspected malpractice that is in the public interest. The Whistleblowing Policy is publicised on the Councils' intranet.
- o Monitoring Officer provisions – the Monitoring Officer is responsible for advising the Council if any proposal would give rise to unlawfulness or maladministration and as such performs a key function in ensuring lawfulness and fairness in the operation of the Council's decision-making process.

## **Developing the capacity and capability of Members and Officers to be effective**

### Summary

Adur and Worthing Councils realise that the Officers it employs enable the Councils to fulfil their ambitions. Once appointed or elected, Members and Officers are provided with a range of development opportunities. The Councils' learning and development needs are met through a variety of training interventions including in-house training and e-learning. Members also receive specialised training on key issues on a regular basis.

### Supporting Principles of Good Governance

To make sure Members and Officers have the necessary skills and resources we will:

- o Provide induction programmes tailored to individual needs and opportunities for Members and Officers to update their knowledge on a regular basis;
- o Ensure that the Statutory Officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the organisation.

To develop the capability of people with governance responsibilities we will:

- o Assess the skills required by Members and Officers and make a commitment to develop those skills to enable roles to be carried out effectively;
- o Develop skills on a continuing basis to improve performance including the ability to scrutinise and challenge and to recognise when outside expert advice is needed;
- o Ensure that effective arrangements are in place for reviewing the performance of the authority as a whole and of individual Members and agreeing an action plan which might for example aim to address any training or development needs.

To encourage new Members of the authority we will:

- o Ensure that effective arrangements designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority;

#### Evidence of Commitment to these Principles

- o Member and Officer Induction Programme – an extensive induction programme is in place for both Members and Officers. All new Officers receive an induction booklet and are invited to a corporate induction where the Councils' values and visions are outlined in further detail.
- o Unboxed – the Council runs a talent pool known as the Unboxed Programme for Officers to provide opportunity for innovation and development.
- o Mentoring Scheme – the Council runs a programme of mentoring for Officers throughout the Council, using external Mentors where necessary.
- o Members' Bulletin – this is a web-based area which provides an information zone for Members and is a key source of information.
- o Performance Development Reviews – provide opportunities to review employee performance, providing a chance to consider personal development needs in relation to the employee's role.
- o Officer Job Descriptions – set out the roles and responsibilities of Officers employed by the Council.
- o Constitution – sets out how the Council operates, how decisions are made and the procedures and codes of conduct which are followed. It also covers the roles of the Statutory Officers of the Council – Head of Paid Service, Section 151 Officer and Monitoring Officer – and their responsibilities relating to compliance with the law and ensuring sound financial control.
- o Overview and Scrutiny Committee – this is an established Committee which reviews and monitors the decisions of the Executive.
- o Leadership and Staff Exchange – organised events at which Managers and Officers meet to consider current issues affecting the Council and work together to identify solutions.

### **Engaging with local people and other stakeholders to ensure robust public accountability**

#### Summary

SCS103-je/446099

Adur and Worthing Councils recognise the need to effectively engage with local residents to ensure that their opinions are taken into account when preparing Council plans and policies. The Constitution sets out how the Councils incorporate the rights of residents in relation to the Councils' work.

### Supporting the Principles of Good Governance

To exercise leadership through a robust scrutiny function the Councils will:

- o Make clear to themselves, all staff and the community, to whom they are accountable and for what;
- o Consider those institutional stakeholders to whom they are accountable and assess the effectiveness of the relationships and any changes required;
- o Produce an annual report on scrutiny function activity.

To take an active approach to dialogues and accountability with the community the Councils will:

- o Ensure that clear channels of communication are in place with all sections of the community and other stakeholders including monitoring arrangements to ensure that they operate effectively;
- o Hold meetings in public unless there are good reasons for confidentiality;
- o Ensure arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands;
- o Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users including a feedback mechanism for those consultees to demonstrate what has changed as a result;
- o On an annual basis, publish an annual report giving information on the authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period;
- o Ensure that the authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.

In order to make best use of human resources will develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision-making.

### Evidence of Commitment to these Principles

- o Constitution – sets out how the Council operates, how decisions are made and the procedures and codes of conduct which are followed. It also sets out roles

and responsibilities for Members and Statutory Officers and includes the Officer Scheme of Delegations.

- o Overview and Scrutiny Committee – this is an established committee which reviews and monitors the decisions made by Cabinet and other Council bodies, as well as monitoring the activities and performance of external bodies. The Committee sets and reviews its work programme on a regular basis and produces an annual report on its work.
- o Joint Governance Committee – independent from the Executive and scrutiny functions, this Committee monitors budgets and receives reports on the work of internal and external audit and risk management.
- o Annual Statement of Accounts – a mainly financial document listing achievements for the previous year, as well as setting out longer term aims.
- o Petition Scheme – sets out in broad terms the right of members of the public to submit petitions, the functions and areas of the Council's activities which may be the subject of petitions and the general arrangements for dealing with them.

### 3.0 REVIEW OF THE CODE

The Councils' Code of Corporate Governance will be reviewed on an annual basis with a view to ensuring that:

- The Councils' governance arrangements are adequate and operating effectively in practice, or
- If reviews of governance arrangements have revealed gaps, action is planned that will ensure effective governance in the future.

The Joint Governance Committee will consider the annual review of the Code once a year.

Ward: N/A

## Recording of Committee and Council meetings; Part B Exempt Information

### Joint report by the Director for Communities and the Director for Digital & Resources

#### 1.0 Summary

- 1.1 Worthing Borough Council on 20 October 2015 approved the recommendation of the Joint Governance Committee, to digitally record its Council and Committee meetings, including the recording of Part B exempt information discussions - those held in private, when the press and public are excluded, as defined under the Local Government Act 1972 (as amended).
- 1.2 Adur District Council on 22 October 2015 approved the recommendation of the Joint Governance Committee, to record its Council and Committee meetings but specifically voted **not** to record any Part B exempt information discussions.
- 1.3 The Joint Governance Committee is requested to consider the implications of recording exempt parts of meetings of Joint Committee meetings, (Joint Strategic Committee, Joint Overview and Scrutiny Committee, Joint Staff Committee, Joint Senior Staff Committee, Joint Senior Staff Appeals Committee) where Worthing Borough Council has agreed to the digital recording of such discussions but Adur District Council has not.

#### 2.0 Background

- 2.1 Background is contained in report to the last meeting <http://www.adur-worthing.gov.uk/media/media.136159.en.pdf>
- 2.2 The Officer recommendation to the Joint Governance Committee when this was considered, was to receive a report back on exempt items. However, during discussions at the Joint Governance Committee meeting, Members added a recommendation to the Officer report to record Part B exempt discussions, and not to publish such recordings on the website, but to securely retain them.
- 2.3 Each Council can determine the recording of its own Council meetings, and amend its constitution to reflect arrangements relating to such decision. Joint Meetings are governed by the Joint Committee Agreement which forms part of each Council's Constitution. The Joint Committee Agreement is currently silent on the issue of recording of such meetings, and would need to be amended to reflect whatever decision is made.

- 2.4 The Local Government Act 1972 (as amended) defines 7 categories of information which are Part B Exempt Information. The statutory provisions are further expanded upon in the Councils' Access to Information Procedure Rules (AIPR) which can be found at Part 4 of the Councils' Constitutions. There is a further category of information, 'confidential' which is defined in legislation as 'information given to the Council by a Government Department on terms which forbid its public disclosure or information which cannot be publicly disclose by Court Order. Matters relating to Government Department confidential items would not appear on an agenda neither would discussions be minuted. This later category is extremely rare.
- 2.5 It is for the Solicitor to the Councils in consultation with the report author, to agree the category of exemption before publication of the agenda and report. Any exemption is subject to the public interest test; in determining whether the information should be exempt, a decision must be made as to whether the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Prior to an exempt matter being discussed by Members at a meeting, there is an item on the agenda requiring Members in attendance to formally resolve whether to go into private session to discuss the item, or not.
- 2.5 Requests for information are often made to the Council by the press and public. Often the Councils are obliged to comply with such requests under the provisions of both the Freedom of Information Act 2000 and the Environmental Information Regulations 2005. Legislation relating to FOI Act relates to documents held by the Council. Documents is defined widely and would apply to digital recordings of meetings. Information must be disclosed unless one of the statutory exemptions in the FOI Act applies, and the public interest test is also satisfied.
- 2.6 The storage of recordings in Part B would have to be distinguishable from the recording of the rest of the meeting; this could be as simple as a separate recording of the exempt part of the meeting and a distinct reference number. By having a second recording this should prevent the accidental use of the recording of the meeting being placed in the public domain, without an edit or redaction. A full protocol should be developed between Legal Services and Democratic Services, that ensures the secure retention of Part B recordings; who has access to the stored recordings and also how an application to access these stored recordings should be made. There ought to be a determination and appeal process for access and a retention policy determining for how long recordings are retained and how they are disposed of.

### **3.0 Proposals**

- 3.1 One option is to resolve to record all part B exempt information parts of Joint Committee Meetings of the Councils, to instruct Officers to develop a protocol dealing with retention, storage and access issues, and to amend the Joint Committee agreement accordingly. This option does pose risks as to security of the recording. But Members must also be aware that the Council may be obliged to release a recording of information which has been deemed to be exempt to the press and/or public, following an FOI request. The categories of information relating to exempt information legislation are not the same as the exemptions under FOI

legislation; consequently the recording of information that has been deemed exempt under Local Government Act 1972 (as amended) and is dealt with in Part B private session of a meeting, may be disclosed following an FOI request if there is no relevant exemption to disclosing the information, or the public interest test is not met, under FOI legislation. The benefit of this option is that it provides an accurate record of events which may be useful internally.

- 3.2 A further option would be to resolve not to digitally record part B exempt information at Committee meetings.

#### **4.0 Legal**

- 4.1 The Local Government Act 1972, (as amended) governs procedures at meetings. Schedule 12 provides 7 categories of exempt information which includes: information relating to an individual; information likely to reveal the identity of an individual; information relating to the financial or business affairs of anyone; information relating to negotiations between the authority and its employees; information subject to legal professional privilege; information relating to a prosecution of investigation of a crime.
- 4.2 The Freedom of Information Act 2000 provides a right for the public to obtain information held by a public body, unless an exemption applies and the public benefit in disclosing the information is not outweighed by the public benefit is not releasing it. The exemptions include: information relating to security matters; information held in relation to court proceedings; personal information; investigations; health and safety information; law enforcement information; information relating to commercial interests.
- 4.3 The Council Procedure Rule 22.0 in the Councils' constitutions deal with previous decisions. Generally a decision of full Council cannot be rescinded within 6 months of it being made, but the exception to this rule is where a motion to amend the Council decision is moved in pursuance of a recommendation of a Committee.

#### **5.0 Financial implications**

- 5.1 There are no direct financial implications to the recording of Part B exempt information discussions
- 5.2. There may need to be some purchase, within budget, of recording equipment.

#### **6.0 Recommendation**

- 6.1 The Joint Governance Committee is recommended to resolve to bring a motion to the next meeting of Worthing Borough Council to amend the previous decision to resolve to digitally record its Council and Committee meetings, including Joint meetings with Adur District Council, to exclude all parts of all meetings where the press and public are excluded under the Local Government Act due to exempt information being discussed.

**Local Government Act 1972  
Background Papers:**

None.

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## Schedule of Other Matters

### **1.0 Council Priority**

1.1 This report does not link to any Corporate Priority

### **2.0 Specific Action Plans**

2.1 None

### **3.0 Sustainability Issues**

3.1 Matter considered.

### **4.0 Equality Issues**

4.1 Matter considered and included within the report

### **5.0 Community Safety Issues (Section 17)**

5.1 Matter considered, no issues identified

### **6.0 Human Rights Issues**

6.1 Matter considered

### **7.0 Reputation**

7.1 Recorded information could inadvertently be released to the public causing reputational damage to the Councils.

### **8.0 Consultations**

8.1 Matter considered, no issues identified.

### **9.0 Risk Assessment**

9.1 Matter considered in paragraph 3.1.

### **10.0 Health & Safety Issues**

10.1 Matter considered, no issues identified.

### **11.0 Procurement Strategy**

11.1 Matter considered, no issues identified

### **12.0 Partnership Working**

12.1 Matter considered and included within the report.