

**Minutes of a meeting of the  
Joint Governance Committee  
Adur District and Worthing Borough Councils**

**Remote Meeting via Zoom**

**23 March 2021**

Councillor Roy Barraclough (Chairman)

**Adur District Council:**

Councillor Kevin Boram  
Councillor Andy McGregor  
Councillor Catherine Arnold  
Councillor Ann Bridges  
Councillor Brian Coomber  
Councillor Liz Haywood  
Councillor Paul Mansfield  
\*Councillor Debs Stainforth

**Worthing Borough Council:**

Councillor Mike Barrett  
Councillor Rebecca Cooper  
Councillor Louise Murphy  
\*Councillor Hazel Thorpe  
Councillor Steve Waight  
Councillor Tim Wills  
Councillor Steve Wills

**\*Absent**

**JGC/60/20-21          Substitute Members**

Councillor Lee Cowen declared his substitution for Councillors Debs Stainforth.

**JGC/61/20-21          Declarations of Interest**

Councillor Steve Waight declared an interest as a Member of West Sussex County Council.

**JGC/62/20-21          Minutes**

The minutes of the Joint Governance Committee meeting held on 26 January 2021, were agreed as a correct record.

**JGC/63/20-21          Public Question Time**

No public questions were received in advance of the meeting.

**JGC/64/20-21          Items Raised under Urgency Provisions**

There were no urgent items raised.

**JGC/65/20-21          Statement of Accounts 2019/20 Members Update Report**

Before the Committee was a report from the Director for Digital, Sustainability and Resources, copies of which had been circulated to all Members and copies are attached to the signed copy of these Minutes as Item 6.

The report provided the Joint Governance Committee with an updated position of the Audit of the 2019/20 financial statements for Worthing Borough Council.

At its meeting on 24th November 2020, the committee approved the financial statements for 2019/20 as presented. The committee was advised that the external audit of the accounts for both Councils was not complete and delegated authority to the Joint Chairmen of the Joint Governance Committee, in consultation with the s151 Officer, to consider and approve any amendments to the accounts, with the requirement for an update report to be brought to the next meeting.

Members considered the valuation of commercial property and the impact of Covid on these valuations. Members sought clarification regarding the general associated risks attached to commercial properties and in particular, the effect of an increase in interest rates. Officers advised that risks were always there and that the accounts took a valuation of the Council's commercial property at a point in time and a statement from the valuers had been included within their report. It was noted that risk changed at the point of valuation on a day to day basis and that these risks were considered in the Council's Strategies for Investment in Commercial Property. The auditors had undertaken significant due diligence in regards to property valuations and had judged that Covid had no significant impact on valuations.

The recommendations were proposed by Councillor Louise Murphy, seconded by Councillor Ann Bridges and supported by the Committee.

### **Resolved**

That the Joint Governance Committee

- I. noted the revision within the Worthing Borough Council financial statements 2019/20 of the signature dates for the Statement of Responsibilities and Annual Governance Statement to the audit completion date of 8th February 2021;
- II. noted the amended letter of representation for Worthing Borough Council in appendix 1;
- III. noted the Independent Auditors Report to the Members of Worthing Borough Council for the 2019/20 financial statements in appendix 2;
- IV. noted the final Audit Results Report 2019/20 for Worthing Borough Council in appendix 3.

### **JGC/66/20-21            2021/22 Internal Audit Plan**

Before the Committee was a report from the Acting Head of Internal Audit, copies of which had been circulated to all Members and copies are attached to the signed copy of these Minutes as Item 7.

The report asked Members to consider and approve the 2021/22 Internal Audit Plan.

A Member sought clarification of the key risks resulting from the pandemic. The Acting Head of Internal Audit advised that the key risks to be considered were:-

- Allocation of Grants;
- IT audits regarding homeworking, cyber security and cloud access;
- Staff Wellbeing - living and working from home alone and remote management;
- Workspaces Accommodation Review; and
- Follow up on a number of Covid Audits conducted during 2020/21 in relation to the food depot and allocation of grants.

The Committee considered a number of items identified in the proposed Audit Plan for 2021/22 including the Carbon Reduction Programme, Equalities Act Compliance and the Adur Homes Capital Works Programme. The Acting Head of Internal Audit confirmed that the Equalities Act Compliance Audit would look at processes to see how it had been adopted across the Councils, the Carbon Reduction Audit would consider external funding received to see whether the grant conditions had been complied with and that funding had been spent within associated timescales and in relation to the Adur Homes Capital Works Programme, the Committee was advised that a number of sources of information would be considered as part of the audit including Fire Safety, Condition Survey Work as well as Intelligence from Maintenance Teams. Officers confirmed that Condition Surveys were usually conducted on a rolling basis with a third of properties being surveyed per year.

Members noted that 500 audit days were proposed and sought clarification as to how this compared with previous years. The Acting Head of Internal Audit advised that this compared with 478 audit days during the previous year.

A Member sought to propose an additional item to the Audit Plan for 2021/22 regarding the 'allocation of costs and funding for town centre / public realm improvements' to consider how money was allocated and how decisions were made. It was suggested that an audit brief be created in consultation with the Acting Head of Internal Audit and Chief Financial Officer and brought back to Committee for consideration.

The recommendations in the report were proposed by Councillor Kevin Boram, seconded by Councillor Andy McGregor and supported by the Committee.

### **Resolved**

That the Joint Governance Committee approved the 2021/22 Audit Plan.

### **JGC/67/20-21            Audit enquiries to those charged with Governance**

Before the Committee was a report by the Director for Digital, Sustainability & Resources, copies of which had been circulated to all Members and copies are attached to the signed copy of these Minutes as Item 8.

It was noted that the Councils external auditors, Ernst and Young, had asked that Members consider a letter about how the Joint Governance Committee gained assurance from management regarding the financial governance arrangements of the Councils.

The Chairmen of the Committee had received two letters, one for Adur District Council, and one the Worthing Borough Council. The letter to Adur District Council was attached as Appendix 1 and was identical to the letter to Worthing Borough Council.

To assist the Committee in its deliberation of the letter, attached at Appendix 2, was the proposed response to each of the questions raised. It was recommended that this form the basis of a formal letter of response.

Members considered the proposed response raising queries in relation to the Code of Conduct, Going Concerns and the processes for identifying and responding to fraud or error. The Chief Financial Officer suggested adding the following additional wording to address the queries raised:-

- i. Emphasising that the Code of Conduct was provided to all members of staff on joining the Councils and was freely available on the Councils website;
- ii. Adding to the processes for identifying and responding to fraud or error that the Councils undertake voluntary exit interviews of all staff and that any concerns raised be fed through to the Chief Financial Officer, the Monitoring Officer and Internal Audit with the Joint Governance Committee being briefed of any substantive issues; and
- iii. in relation to Going Concerns - to emphasise that it's not just the Councils reserves but it is also the Councils' contingency budgets (created this year) to further manage the risks associated with Covid'

The recommendations in the report were proposed by Councillor Steve Waight, seconded by Councillor Kevin Boram and supported unanimously.

### **Resolved**

The Joint Governance Committee considered and agreed the proposed response, as amended, to the audit letter.

### **JGC/68/20-21                      Strategic Property Investment Fund 2021 - Annual Commercial Property Investment Strategy 2021/22**

Before the Committee was a report by the Director for the Economy, copies of which had been circulated to all Members and copies are attached to the signed copy of these Minutes as Item 9.

The report updated and confirmed the Councils' CPIS to support the Councils' medium term financial strategy, provided the annual investment strategy, to meet the Councils' statutory obligation, which was to be approved in advance of the relevant financial year by both Full Councils and supported the Councils' medium term financial strategy and sought to renew and refresh the current investment strategy in relation to the investment funds providing details on:

- Robust parameters to guide and support the development of an income generating property portfolio that seeks to manage and provide a financially resilient income stream for the Councils; and

- Update governance criteria to ensure diligent analysis and transparency to support the transparent decision making process, particularly where investments have a value add opportunity.

During its consideration of the proposals the Committee discussed the Asset Class Types and asset class weightings with a Member raising concerns about the percentage of Office Assets targeted. Officers stressed the importance of maintaining an overall portfolio balance, that offices in the right area could still be attractive assets and that the Councils would continue to be picky about which offices they invested in in the future.

A Member sought clarification as to whether the income returns were being spent on improving services. Officers confirmed that as a result of reduced funding from other sources, the Councils had become community funded rather than government funded. Council Tax would provide the main revenue stream, with significant income from fees and charges and also business rates.

The recommendations were proposed by Councillor Louise Murphy, seconded by Councillor Andy McGregor and supported by the Committee.

### **Resolved**

That the Joint Governance Committee considered and noted the contents of this report.

### **JGC/69/20-21            LGA Model Code of Conduct and arrangements for dealing with breaches of the Members' Code of Conduct**

Before the Committee was a report by the Monitoring Officer, copies of which had been circulated to all Members and copies are attached to the signed copy of these Minutes as Item 10.

Members of the Joint Governance Committee were reminded that on the 24th November last year, a report was presented giving an update on the progress of the work of the Committee on Standards in Public Life and the Local Government Association, following earlier consultation in July 2020, when Members of the Joint Governance Committee engaged in the consultation process.

The report sought to provide Members of the Joint Governance Committee, with the outcome of the governance and ethics Joint Member Officer Working Group in relation to the Code of Conduct, a new procedure for assessing Code of Conduct Complaints, investigations and hearings procedure.

A proposal to defer consideration of the item was seconded but not supported after being put to a vote.

The recommendations in the report were proposed by Councillor Lee Cowen, seconded by Councillor Steve Waight and unanimously supported by the Committee.

### **Resolved**

The Joint Governance Committee

- 1) noted the contents of the report and appendices;
- 2) agreed the LGA Model Code of Conduct should be adopted as set out in Appendix 1;
- 3) agreed the arrangements for dealing with Member Code of Conduct Complaints as indicated in Appendix 2,
- 4) agreed that the Member Code of Conduct and arrangements for dealing with Code of Conduct complaints should be reviewed by the Monitoring Officer every two years including any related Policies;
- 5) agreed to have two separate sub-committees for Adur & Worthing Councils;
- 6) Recommended that Adur and Worthing Councils:
  - a) adopt the LGA Model Code of Conduct;
  - b) accept the procedures set out in Appendices 2, 3 and 4;
  - c) agree that the Members Code of Conduct and arrangements for dealing with complaints under that Code should be reviewed by the Monitoring Officer, every two years including any related policies;
  - d) agree to have two separate sub-committees for Adur & Worthing Councils.

The meeting was declared closed by the Chairman at 8.54 pm, it having commenced at 6.30 pm

**Chairman**