

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

The Gordon Room, Worthing Town Hall

29 November 2022

Adur District Council:

Andy McGregor
Rob Wilkinson
Catherine Arnold
Tony Bellasis
Kevin Boram
Gabe Crisp

Worthing Borough Council:

Dan Hermitage
Ibsha Choudhury
Rita Garner
Charles James
Nigel Morgan
Steve Waight
Andy Whight

Absent

Councillor Lee Cowen and Councillor Jim Funnell

Councillor Mike Barrett

JGC/32/22-23 Substitute Members

There were no substitute Members

JGC/33/22-23 Declarations of Interest

Cllr Arnold declared an interest as the CEO of Adur Voluntary Action.

JGC/34/22-23 Minutes

A Member made reference that the minutes showed Cllr Boram had seconded a proposal made by Cllr Waight, in regards to item JGC/30/22-23, at the last meeting which he had not. Members agreed to delegate power to officers to amend the minutes as necessary. The minutes of the Joint Governance Committee meeting held on 27 September 2022 were otherwise agreed as a correct record. They were amended to record that Cllr Stainforth seconded Cllr Waights' proposal.

JGC/35/22-23 Public Question Time

No questions from the public received

JGC/36/22-23 Members' Questions

No questions from Members' were received

JGC/37/22-23 Items Raised under Urgency Provisions

There were no urgent items raised.

JGC/38/22-23 Internal Audit Progress Report

To consider a report by the Interim Head of Internal Audit, a copy was attached as item 6. This report provided an update on Internal Audit progress and key findings to the Committee. This report also provided an update on fraud work conducted by the Councils' Corporate Investigations Team.

The Committee was asked to note the findings of the report and to consider if they would like further updates from officers on particular issues that they would like provided at the next meeting.

Members raised questions on numerous areas of the report:

- The prevalence of fraud in housing applications
- Progress of those audits not yet started and the reasons behind that
- The presence/capability of project managers

Members were told that levels of fraud were difficult to benchmark but that answers would be researched and provided; that organisational changes, available resources and time had been responsible for some audits not having started; and about planned improvements to assignment of and communication with project managers.

Members then debated the second recommendation of which officers they would like to hear from at the next meeting. Cllr Crisp proposed that the committee note the report and request that the Head of Housing, Housing Transformation Manager and Fraud officer attend the next meeting. This was seconded by Cllr Arnold and the committee supported it following a vote.

Resolved:

The Joint Audit and Governance committee (JAGC)

1. Noted the report and progress against the 2022-23 Internal Audit Plan and implementation of Internal Audit recommendations.
2. Requested the Head of Housing, Housing Transformation Manager and Fraud Officer to provide updates on particular issues at the next meeting.

JGC/39/22-23 Mid Year Review of Treasury Management 2022-23

To consider reports from the Director for Digital, Sustainability & Resources, copies attached as item 7. The purpose of this and the other treasury management reports that were submitted during the year was to ensure that proper scrutiny was undertaken of the treasury and capital expenditure activities of the Councils and that the activities were conducted in a prudent manner in order to safeguard the financial position of the Councils.

Councils were required by regulations issued under the Local Government Act 2003 to produce a mid-year treasury management review of activities; and a review of performance against the prudential and treasury indicators for the year.

The key message arising from this report was that both Adur and Worthing Councils had complied with the approved policies and the indicators agreed prior to the start of the financial year with the exception of one minor breach which was detailed within the report.

This report asked Members to note the Treasury Management mid-year performance for Adur and Worthing Councils at the 30 September 2022, as required by regulations issued under the Local Government Act 2003.

The Committee was asked to note the findings of the report and refer any comments or suggestions to the Joint Strategic Committee meeting on the 6th of December.

Members asked questions about how the minor breach had occurred and impact of changes in interest rates.

Resolved:

The JAGC noted the report

JGC/40/22-23 Risk & Opportunities Update

To consider reports from the Director for Digital, Sustainability & Resources, copies attached as item 8. This report provided the latest updates on the management of the Councils' Risks and Opportunities.

The Committee was asked to note the report and agree to a further progress report in March 2023.

Members asked about the inclusion of health and safety obligations in environmental health and exit interviews of staff leaving the council. Cllr Boram proposed the recommendations of the report, seconded by Cllr Whight and the committee supported it following a vote.

Resolved:

The JAGC

1. Noted the progress in managing the Risks and Opportunities
2. Requested a further progress report in March 2023

JGC/41/22-23 Enquiries to those charged with Governance

To consider reports from the Director for Digital, Sustainability & Resources, copies attached as item 9.

The councils' external auditors, Ernst and Young, had asked that the Committee consider a letter about how the Joint Audit and 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 for 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. This would form the basis of a formal letter if approved.

The Committee was recommended to consider and agree to the proposed response to the audit letter. Cllr Waight proposed the recommendation, was seconded by Cllr Boram and the committee supported it following a vote.

Resolved:

The Committee considered and agreed on the proposed response to the audit letter.

JGC/42/22-23 Members Allowances 2022/23

To consider reports from the Director for Communities, copies attached as item 11.

The report provided details of the Officers' National Joint Council (NJC) pay bargaining agreement for 2022/23 and requested that the Joint Audit & Governance Committee consider the percentage rise to be applied to Members Allowances for 2022/23.

The Committee was asked to consider recommending to Adur and Worthing Councils an increase in the basic allowance of either:

- 5.82% in line with the median average of the NJC pay bargaining agreement for 2022/23; or
- 2% in line with the amount that was budgeted for in the 2022/23 budget.

Members sought clarification in regards to the two options proposed in the report; when the increase would be implemented; whether the Joint Independent Remuneration Panel (JIRP) had been consulted; whether different recommendations could be made to the respective councils and whether the recommendations were binding or subject to a vote at the full council meetings. Officers confirmed that the increases would be back paid from May 2022. The JIRP Chairman had been consulted and was supportive of the proposal to increase allowances by 5.82% in line with the weighted average of the NJC pay bargaining agreement for 2022/23. It was also noted that different recommendations could be made to the respective sovereign councils.

Members debated the proposals whilst acknowledging that the earlier recommendations from the Joint Independent Remuneration Panel and decisions by both Councils were for an increase in allowances in line with the NJC settlement.

The Committee noted that the financial situation had changed since April 2022 and that Members could choose to refuse or take a reduced allowance on an individual basis.

The committee agreed to vote on a separate recommendation to each council.

A proposal from Cllr Boram, that Adur Allowances be increased by 5.82%, was seconded by Cllr McGregor and supported by the Committee following a vote.

A proposal from Cllr James, that Worthing Allowances be increased by 5.82%. The motion was seconded by Cllr Whight and supported by the Committee following a vote.

Resolved:

The Joint Audit & Governance Committee recommended to Adur and Worthing Councils that Members Allowances for 2022/23 be increased by 5.82% in line with the weighted average of the NJC pay bargaining agreement for 2022/23.

The meeting was declared closed by the Chairman at 8.01 pm, it having commenced at 6.30 pm

Chairman