

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

Gordon Room, Town Hall, Worthing

23 March 2023

Adur District Council:

Councillor Andy McGregor
Councillor Catherine Arnold
Councillor Tony Bellasis
Councillor Kevin Boram
Councillor Lee Cowen
Councillor Gabe Crisp

Worthing Borough Council:

Councillor Mike Barrett
Councillor Dan Hermitage
Councillor Ibsha Choudhury
Councillor Rita Garner
Councillor Charles James
Councillor Steve Waight

Absent

Councillor Rob Wilkinson and Councillor Jim Funnell
Councillor Nigel Morgan and Councillor Andy Whight

JGC/52/22-23 Substitute Members

Councillor Carol Albury substituted for Councillor Jim Funnell
Councillor Ann Bridges substituted for Councillor Rob Wilkinson

JGC/53/22-23 Declarations of Interest

Councillor Arnold declared their interest as CEO of Adur Voluntary Action

JGC/54/22-23 Minutes

The minutes of the Joint Governance Committee meeting held on 24 January 2023 were agreed as a correct record.

JGC/55/22-23 Public Question Time

No questions from the public were received.

JGC/56/22-23 Members' Questions

No questions from Members were received.

JGC/57/22-23 Items Raised under Urgency Provisions

There were no urgent items raised.

JGC/58/22-23 Annual Audit Results Report

The Committee had a report before it by the Interim Head of Internal Audit attached as item 7, a copy of which had been circulated to all Members and is attached to the signed copy of these minutes.

Members asked questions about asset valuation, the process of valuing and the council reserves. Members were told that valuations occur every year, that third parties were used to process some valuations and that while a concern, it was believed that council reserves were recovering.

Resolved:

The Joint Audit and Governance Committee noted the contents of the report.

JGC/59/22-23 Statement of Accounts 2021/22 for Adur District Council and Worthing Borough Council

To consider reports from the Director for Digital, Sustainability & Resources attached as item 10, a copy of which had been circulated to all Members and is attached to the signed copy of these minutes.

On advice from officers, the Chairman decided to bring this item forward in the agenda.

The audits of Adur District Council's and Worthing Borough Council's 2021/22 Statements of Accounts were substantially complete. The 2021/22 financial statements had been adjusted in respect of the known External Auditor's findings as at 13th March 2023. This report sought approval of the two sets of amended Statements of Accounts for the financial year ended 31st March, 2022.

Resolved:

The Joint Audit and Governance Committee:

1. Approved the amended Adur District Council and Worthing Borough Council Statement of Accounts for the financial year ended 31st March 2022 in appendix 1.
2. Delegated authority to the Chairs of this Committee to approve, if necessary, the amended final version of the accounts including any changes agreed with auditors as the audit was concluded
3. Delegate to the Chairs of this Committee the ability to approve the letters of representation subject to the final version being amended to reflect the Joint Audit & Governance Committees' responsibilities in relation to the statement of accounts.

JGC/60/22-23 Internal Audit Progress Report

To consider reports from the Director for Digital, Sustainability & Resources attached as item 8, a copy of which had been circulated to all Members and is attached to the signed copy of these minutes.

This report provided an update on Internal Audit progress and key findings to the Committee.

Members asked questions about leaseholder charges, carbon reduction and staff resources. Members were informed that the council was working on resolving leaseholder charges with officers at a meeting about it that same evening. Due to current staffing issues, focus was on completing current carbon reduction projects and while existing projects had not been affected, there would be recruitment in the new financial year to push on with projects currently on hold.

Resolved:

The Joint Audit and Governance Committee noted the report progress against the 2022-23 Internal Audit Plan and the implementation of Internal Audit recommendations.

JGC/61/22-23 2023/24 Internal Audit Plan

To consider reports from the Director for Digital, Sustainability & Resources attached as item 9, a copy of which had been circulated to all Members and is attached to the signed copy of these minutes. This report asked Members to consider and approve the 2023/24 Internal Audit Plan.

Members asked about how risk was determined and assigned to items within the audit, number of indicative days for completing auditable areas and the schedule.

Members were advised that risk level was based on what potential risk had been identified, not that those areas were necessarily high risk and that any audits that included financial assessment would be assessed as high risk, while some areas like safeguarding could be classed as high risk as well. Members were also informed that the number of days assigned could change depending on the work required. The days indicated in the report should allow for the full scope of whatever was required but depending on the work involved it could be more or less. Members were also advised that the schedule of audits was dictated largely by when work could be carried out.

Resolved

The Joint Audit and Governance Committee:

1. Approved the 2023/24 Internal Audit Plan
2. Asked to receive more detailed information around internal audit risk ratings and how those were assigned.

JGC/62/22-23 Strategic Property Investment Fund - Annual Commercial Property Investment Strategy 2022/23

To consider reports from the Director for the Economy attached as item 12, a copy of which had been circulated to all Members and is attached to the signed copy of these minutes.

The report 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 sought to manage and provide a financially resilient income stream for the Councils and updated governance criteria to ensure diligent analysis and transparency to support the transparent decision making process, particularly where investments had a value added opportunity.

Members asked about risks in the portfolio, the redevelopment of out of area sites, and investment in industrial sites. Members were advised that both portfolios were diverse and risks were minimal if you stay current, that authorities owned the freeholds and redevelopment came when existing tenants left and now new tenants were interested; and that while they were always looking at assets, investment in industrial sites was limited by available space.

Resolved

The Joint Audit and Governance Committee noted the contents of the report.

JGC/63/22-23 The Councils' Surveillance Powers, Policy and Procedures (RIPA)

To consider reports from the Director for Digital, Sustainability & Resources attached as item 13, a copy of which had been circulated to all Members and is attached to the signed copy of these minutes.

This report provided an update on the usage and activity of RIPA requests during 2022/23. It also advised Members of the Monitoring Officer's review of the Councils' Surveillance Policy and Procedure.

A number of questions had been presubmitted by a Councillor unable to attend the meeting. It was agreed that the Monitoring Officer provide and share, along with the questions, a written response.

Resolved:

The Joint Audit and Governance Committee noted the statistical information relating to the use of RIPA for the period 2022/23 and noted that the Councils' Joint Surveillance Policy and Procedure of September 2017 had been reviewed. The Committee did not recommend any revisions but accepted a number of minor clerical changes highlighted and for these to be amended by the Monitoring Officer.

JGC/64/22-23 Adur Homes Compliance with Housing Regulator Standards

To consider reports from the Director for the Economy attached as item 11, a copy of which had been circulated to all Members and is attached to the signed copy of these minutes. As an Adur only item, the Chairman agreed to hold this item at the end of the agenda.

The purpose of the report was to inform members that the Director for Communities had undertaken a diagnostic review of the Council's housing stock (Adur Homes) and its' compliance with the Regulator of Social Housing's standards. A number of gaps in

compliance had been identified and the council had as a result referred itself to the Regulator.

The report identified the areas that required improvement and set out the process Adur District Council would undertake, in partnership with the Regulator, to improve performance and meet the required standards.

The report also identified other audit issues related to Adur Homes including slow progress against internal audit actions and problems with the way in which they were responding to complaints and Freedom of Information Act requests.

Members asked about the difference between improvement and transformation programmes, reporting mechanisms, housing engagement officers, communication with residents, estimated times on resolving complaints and Freedom of Information requests. Members were told that while the transformation plan took a more overarching view of the issues, the improvement plan was about working key steps with clear actions and measurable performance indicators. The Committee was also advised that recruitment for a new housing officer was challenging but underway, that leadership roles were being sought to better manage tenant communication and that the removal of timelines to responses was temporary as they could not currently be guaranteed.

The Director of Communities gave special thanks to the officers of Adur and Worthing Councils for their hard work and best efforts, as well as colleagues from Runnymede Borough Council for their assistance.

Resolved

The Joint Audit and Governance Committee:

1. Noted areas of non-compliance with social housing standards and endorse the decision to refer Adur Homes to the Regulator of Social Housing.
2. Noted the slow progress being made against internal audit actions and problems with the way in which we are responding to complaints and Freedom of Information Act requests.
3. Approved the timescales for bringing an improvement plan to the Joint Audit and Governance Committee and require further updates on progress from the Director for Communities.
4. Approved changes to the Adur Homes Management Board membership and required the Board to provide progress updates to the Joint Audit and Governance Committee on a quarterly basis
5. Noted the matters referred to the Committee by the Monitoring Officer at paragraph 4.4, 4.5 and 4.6

The meeting was declared closed by the Chairman at 9.20 pm, it having commenced at 6.30 pm

Chairman