

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

QEII Room, Shoreham-Centre, Shoreham-by-Sea

26 September 2023

Councillor Andy McGregor (Chair)

Adur District Council:

Catherine Arnold
Ann Bridges
Jim Funnell
Debs Stainforth

Worthing Borough Council:

Dan Hermitage
Ödül Bozkurt
Ibsha Choudhury
Nigel Morgan
Hazel Thorpe
John Turley
Steve Waight

Absent

Councillors Mike Barrett, Tony Bellasis, Kevin Boram and Julian Shinn

JGC/23/23-24 Substitute Members

Councillor Gabe Crisp substituted for Julian Shinn

JGC/24/23-24 Declarations of Interest

Councillor Hazel Thorpe declared a personal interest as a previous Mayor of Worthing Borough Council.

JGC/25/23-24 Minutes

The minutes of the meeting of the 13th July 2023 were approved as a correct record and be signed by the Chairman.

JGC/26/23-24 Public Question Time

There were no public questions.

JGC/27/23-24 Members' Questions

There were no questions' from Members.

JGC/28/23-24 Items Raised under Urgency Provisions

There were no urgent items.

JGC/29/23-24

Auditor's Annual Reports 2021/22

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

Members asked about the external auditor's responsibilities in regards to Adur Homes, did the council understand potential liabilities, if systems were now in place so that issues could be flagged and dealt with more readily and determining property value.

Members were informed that the arrangements and requirements for external auditors had changed, that the report included a number of recommendations and that going through outstanding audit items helped build into the improvement plan. That external auditors were confined in what they were required to do but they could look into altering that and that property valuation could fluctuate depending on management specialists' reasons for valuing but it would fall within a range that doesn't impact financial opinion.

Resolved,

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

JGC/30/23-24

Internal Audit Progress Report

The Committee had a report before it as item 8, which had been circulated to all Members, a copy of which 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 if internal audit had any updates on outstanding recommendations, could members assist in removing any potential obstacles and particular points of concern regarding priority ones. Members were informed that a report would be going to CLT and they would see an update on recommendations then, that there had never been blockers before and that management had always cooperated with inquiries and that internal audit had no particular concerns at the time.

Members debated the information and reports available on the disaster recovery plan. Members voted unanimously on a proposal to review the governance in respect of the disaster recovery implementation plan.

Resolved,

The Joint Audit and Governance Committee agreed to

- I. Note the contents of the report
- II. Receive a report as soon as possible to review the governance in respect of the disaster recovery implementation plan, that took place in the year 22/23.

JGC/31/23-24 Statement of Accounts 21/22

The Committee had a report before it as item 9, which had been circulated to all Members, a copy of which is attached to the signed copy of these minutes.

The audit of Worthing Borough Council's 2021/22 Statements of Accounts was now complete and the financial statements had been adjusted in respect of the known External Auditor's findings with unadjusted judgemental differences set out in the table contained in the Letter of Representation at appendix 1.

The audit of Adur District 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 and any unadjusted differences were set out in section 4 of the Audit Results Reports.

Resolved,

The Joint Audit and Governance Committee noted

- I. The completion of the 2021/22 audit for Worthing Borough Council and the approval by the Worthing Borough Council Chair of the Joint Audit and Governance committee of the 2021/22 Statement of Accounts and Letter of Representation.
- II. The progress and near completion of the Audit of the 2021/22 Adur District Council Statement of Accounts.
- III. The Adur Chair of the Joint Audit and Governance committee would approve the 2021/22 Adur District Council Statement of Accounts and Letter of Representation with their delegation approved by the committee in March 2023.

JGC/32/23-24 Annual Treasury Management Report 2022-23 ADC and WBC

The Committee had a report before it as item 10, which had been circulated to all Members, a copy of which is attached to the signed copy of these minutes.

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.

Members asked whether there were any concerns regarding bond investment and debt/income ratios. Members were informed there were no concerns regarding the bond investment and that debt / income ratios could be provided Members were also informed that media reports could be inaccurate in regards to content and whether they included reference to historical debt.

Resolved,

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

The Committee had a report before it as item 11, which had been circulated to all Members, a copy of which is attached to the signed copy of these minutes.

In 2022 the Chief Executive, the Corporate Leadership Team and the wider staff leadership team worked collaboratively together to design a new corporate plan for the organisation.

Members asked about reviews of the structure to ascertain whether savings had been achieved; what was being done to encourage more women and minority groups into leadership positions; recruitment retention; front line staff; involvement of residents in delivering services and the use of AI technologies.

Members were informed that the current focus was on bringing in the new leadership structure and that a performance management framework would be taken to the Joint Overview and Scrutiny Committee in November. Equality was being threaded through the organisation with encouragement for more women and minority groups to go for positions in upper management.

The new People and Change division would be reporting directly to the Chief Executive with focus on retention and development. It was suggested that local government was constrained with focused, budget control measures but through creative solutions and matrix systems, cross team collaboration would assist all front line staff.

Members were also informed that resident involvement was already happening, with examples of the old police station in Lancing and a new housing development in West Durrington. Finally Members were informed that councils all over the country were looking at how new technologies and AI could benefit operations and free staff to interact more with the public.

Resolved,

The Joint Audit and Governance Committee noted:

- I. The redesign process of the senior management team had reduced the cost of the most senior management layers of the organisation by £250k, preserving frontline services.
- II. Under the Councils' Constitutions, the Chief Executive Officer was required to report to Full Councils (from time to time) on the overall departmental structure of the Councils, showing the management structure and the deployment of Officers. This paper outlined the progress made with regard to these organisational changes, describing the reshaping of the senior management team, including the organisation, management, number and grades of senior staff and their associated functions.
- III. The report also set out the next stages of the councils work in reshaping the organisational design and structures, building in increased ability to prioritise, plan, innovate, engage and deliver.

JGC/34/23-24 MOVEit Data Breach

The Committee had a report before it as item 12, which had been circulated to all Members, a copy of which is attached to the signed copy of these minutes.

This report aimed to provide the Joint Audit and Governance Committee with a comprehensive overview of the MOVEit cyber-attack and subsequent data breach by Rundles and Jacobs that occurred in May 2023.

Members asked about the amount of time required and costing implication, to implement contract reviews, retention of debtors' details, financial implications should a similar event happen in future, the formal position with suppliers and the position of other councils affected. Members were informed that a significant amount of time was spent by officers to process and review the incident, that retention of details was a corporate consideration and could be difficult to maintain. That all work relating to the data breach was handled by contracted, salaried staff so there would be no financial implications should a similar event happen in future. That the councils were still working with the suppliers while reviewing all existing contracts and that other councils were affected a lot worse in comparison to Adur & Worthing Councils.

Resolved,

The Joint Audit and Governance Committee considered the contents of this report, reviewed and approved the actions taken by Officers and noted the remaining contents of this report.

JGC/35/23-24 Conferment of Honorary Aldermen

The Committee had a report before it as item 13, which had been circulated to all Members, a copy of which is attached to the signed copy of these minutes.

The purpose of this report was to consider conferring the title of Honorary Alderman of the Borough of Worthing on former Mayor Lionel Harman who had retired from the Council.

Members discussed the various good works former Mayor Lionel Harman had undertaken during his tenure.

Resolved,

The Joint Audit & Governance Committee recommend that

- I. Worthing Borough Council confer the title of Honorary Alderman to former Mayor, Lionel Harman
- II. Worthing Borough Council approves:
 'That a special meeting of the Council be arranged under section 249(1) of the Local Government Act 1972 for the specific purpose of conferring the title of Honorary Alderman to Lionel Harman.'

The Committee had a report before it as item 14, which had been circulated to all Members, a copy of which is attached to the signed copy of these minutes.

This report provided a progress update on the Housing Improvement Plan to both the Adur Joint Strategic Sub-Committee and the Joint Audit and Governance Committee, following the self-referral to the Regulator for Social Housing earlier this year.

Members asked about voids going on the RAG report, growing the workforce with local institutions, tenant representatives on management boards, prioritisation and start date of the workforce and a Member to serve as a new complaints champion.

Members were informed that voids could go on the RAG report and work was being done with Finance to see how quickly they could get through them, that the council was struggling to find good additional housing officers, however, there was an opportunity in the medium to long term to work with local colleges to grow the workforce. There was an Adur Homes advisory board with its' terms of reference attached as an appendix with a list of who was on it but there were some gaps. The workforce was a priority to be focused on from the outset over three phases and there was a requirement for the council to have a Member as a Complaints Champion.

Members went on to debate the speed of response to complaints and how the Complaints champion should be selected. It was proposed, seconded and voted upon that the Director for Communities and Housing check on the Ombudsman's requirements for the Member to serve as Complaints Champion and then to seek nominations from Members.

Resolved,

The Joint Audit and Governance Committee

- I. Noted the good progress being made to ensure that Adur Homes became fully compliant with regulatory standards and the wider programme of transformation to create safe, secure and sustainable homes for residents.
- II. Considered the progress being made on the outstanding audit actions as captured in paragraph (4.21, 7).
- III. Noted the progress being made with the overdue Freedom of Information Request at paragraph 2.1 (12) of this Report
- IV. Noted the fact and circumstances surrounding the Housing Ombudsman's findings of maladministration at Paragraph 5 of this Report and attached redacted Appendices 6 & 7 and considered the proposed remedial actions.
- V. Agreed the Director for Housing and Communities would check on the Ombudsman's requirements for the Member to serve as Complaints Champion and then seek nominations from Members.

The meeting was declared closed by the Chairman at 10.10 pm, it having commenced at 6.30 pm

Chairman