

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

**Gordon Room, Town Hall, Chapel Road, Worthing**

**21 March 2024**

Councillor Dan Hermitage (Chairman)  
Councillor Mike Barrett (Vice-Chair)

**Adur District Council:**

Councillor Andy McGregor  
Councillor Kevin Boram  
Councillor Tony Bellasis  
Councillor Julian Shinn  
Councillor Debs Stainforth  
Vacant  
Vacant

**Worthing Borough Council:**

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

**Absent**

Councillor Jim Funnell

**JGC/56/23-24      Substitute Members**

There were no substitutions

**JGC/57/23-24      Declarations of Interest**

Councillor McGregor declared an interest as a member of the Sussex Yacht Club

**JGC/58/23-24      Minutes**

The minutes of the meeting of the 18 January 2024 were approved as a correct record and signed by the Chairman

**JGC/59/23-24      Public Question Time**

There were no public questions

**JGC/60/23-24      Members' Questions**

There were no questions from Members

**JGC/61/23-24      Items Raised under Urgency Provisions**

There were no urgent items

The Committee had a report before it, attached as item 14, which had been circulated to all Members, which is attached to a signed copy of these minutes. This report provided a progress overview of 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 thanked officers for the comprehensive data gathered and key performance indicators, stressing the indication of progress made.

**Resolved:****The Joint Audit and Governance Committee**

- **Noted the good progress being made to ensure that Adur Homes becomes fully compliant with regulatory standards and the wider programme of transformation to create safe, secure and sustainable homes for our residents.**
- **Considered the progress being made on the outstanding audit actions as captured in paragraph 9.**
- **Noted the progress being made in respect of complaints and that the wider changes around complaints policy was being reported to this committee under a separate report.**
- **Agreed to future update reports being brought to this committee every 6 months during 2024/5 during the second year of the Improvement Plan.**

The Committee had a report before it attached as item 7, which had been circulated to all Members, a copy of which is attached to a signed copy of these minutes. This report was provided by Ernst and Young, the Councils' external auditors.

Members asked about overspends, future planning, the scope of reporting and the relationship between the external and internal auditors.

Members were informed that the external auditors were satisfied with the Councils' budget monitoring, in that they had shown they were aware of challenges and concerns and were addressing them. Members were also informed that budget packs were published and made publicly available and that quarterly reports were sent to the Joint Strategic Committee; that the Councils', like many across the country, were facing unprecedented demand for services, that there was a national backlog in audit opinions with a system wide review underway and that the external auditors had no worries that things were being missed by internal auditors and that they, as external auditors, were unable to audit every single decision made by the Councils.

Members discussed examining the budget setting process, getting more information on the impact on the Councils of the reset work and the existence of standards issues.

**Resolved:**

**The Joint Audit and Governance Committee requested a paper at the next meeting setting out the impact on the councils of the reduction in audit scope for the 22/23 accounts**

**JGC/64/23-24 Internal Audit Progress Report**

The Committee had a report before it attached as item 8, which had been circulated to all Members, a copy of which is attached to a signed copy of these minutes. This report was provided by Mazars, the Councils' internal auditors.

Members asked about incomplete audit reports, outstanding priority 1 recommendations, IT disaster recovery, if AI was emerging as a high risk area; the relationship between the category of auditable areas and the more discreet audit universe and the definition of emerging high risk areas.

Members were informed that a plan was in place to complete missing audit reports, that this had been down to staffing issues and all had been scoped with dates agreed; that in the future they'd be looking to make sure the correct understanding was in place at the points the reports were made; that while they would check, as far as they were aware the report was written based upon the latest information they had available and that the Councils' latest disaster plan was going through a follow up process so not reflected in the audit universe most recent response; that in general terms, AI was identified as an emerging risk; that ultimately Mazars judgements was informed by findings of each review with organisational context and that high risk areas were not solely led by the corporate high risk register but also conversations with leadership.

Members discussed the merits and timing of having a recovery plan for internal audit; the reduction of scope of the audit programme and potential measures to ensure officers satisfy timescales for responses to audit enquiries.

**Resolved:**

**The Joint Audit and Governance Committee**

- **Agreed that with regard to overdue priority one recommendations, where there has been an agreed timescale between the responsible officer and the internal audit function and that timescale has not been satisfied by the officer and no further updates have been received, then the Chairmen of the Joint Audit and Governance Committee request the attendance of that officer at the next committee meeting, in order to explain the reasoning behind that failure.**
- **Requested a paper for the July meeting, setting out the recovery plan for the internal audit programme, given the significant reduction in scope of the external audit function in 22/23**

## **JGC/65/23-24 Internal Audit Plan**

The Committee had a report before it, attached as item 9, which had been circulated to all Members, a copy of which is attached to a signed copy of these minutes. This report was provided by Mazars, the Councils' internal auditors.

Members asked about the timescale of treasury management review and were informed that the methodology always considered the timescale and it was likely planned. Members discussed reflecting on previous discussions and the procurement procedure concerning how some officers are able to procure services.

### **Resolved:**

**The Joint Audit and Governance Committee noted the report**

## **JGC/66/23-24 Mazars Fraud Report**

The Committee had a report before it, attached as item 10, which had been circulated to all Members, a copy of which is attached to a signed copy of these minutes. This report was provided by Mazars, the Councils' internal auditors.

Members asked about officer compliance, identified system deficiencies and procedures for the rest of the council. Members were informed that Mazars had no reason to believe that officers hadn't fully complied with their investigations; that Mazars had made some suggestions about the current system which were being implemented by officers and that there was in place, a good whistle blowing policy, regular internal meetings about process and a culture of inclusivity, kindness and transparency,

### **Resolved:**

**The Joint Audit and Governance Committee noted the report**

## **JGC/67/23-24 Strategic Property Investment Fund - Annual Commercial Property Investment Strategy 2022/23**

The Committee had a report before it, attached as item 11, which had been circulated to all Members, a copy of which is attached to a signed copy of these minutes. Statutory guidance placed a duty on Local Authorities to prepare an annual investment strategy to be approved by the full Council or equivalent, in advance of forthcoming financial years.

Members asked about energy performance certificates for corporate properties, diversity of the portfolio, the future valuation process, the difference in annual provision for the management of voids and future maintenance, reserve levels and assumptions of unallocated funds.

Members were informed that each building was being looked at with a view to future changes in regulations; that officers were aware of a need to be opportunistic in purchasing assets when available; that council properties were assessed by an independent valuer and that they were moving to adopt best practices; that the difference in annual provision was down to risk assessment; that topping up reserves was reliant on

budget constraints and that no financial assumptions had been made in regards to capital.

Members also discussed the practicalities of investing in Adur and requesting a report detailing reserves.

**Resolved:**

**The Joint Audit and Governance Committee requested a report be prepared for the JAGC detailing how the reserve amounts have been determined and whether there is in fact a reserve shortfall & how this is to be funded**

**JGC/68/23-24            Complaints Lead Member Champion**

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

Members asked for some clarification on what role within the JAGC the Complaints Lead Member champions would have and where complaints regarding Adur & Worthing's partners would be directed. Members were informed that the Complaints Lead Member Champions would report to the JAGC but not sit as members of it and that complaints regarding partners would go to those partners.

Members discussed how much of the new requirements were already in place and adjusting the recommendations to ensure the Monitoring Officer would recommend the correct Members to be appointed as the Complaint Lead Member Champions.

**Resolved:**

**The Joint Audit and Governance Committee recommended to Adur District Council and Worthing Borough Council to:**

- **Adopt the new (Housing Ombudsman Complaint Handling Code (HOCHC)**
- **Highlight that the Local Government and Social Care Ombudsman Service Complaints Handling Code (LG&SC Code) was launched in February 2024. And that work is underway to ensure compliance with this, which will be required by April 2026.**
- **Note the Monitoring Officer will recommend two councillors to be complaint handling Members to the Joint Chairs of the JAGC for approval and recommendation to Adur District Council and Worthing Borough Council meetings**
- **Note that the senior responsible person for complaints will be the Head of Resident Services.**

The Committee had a report before it, attached as item 13, which had been circulated to all Members, a copy of which is attached to a signed copy of these minutes. The Council, subject to planning amendment, intended to proceed with delivering vital flood defences in Shoreham. There had been various delays to the project including a need for wintering monitoring of ground water and attempts to divert or stop up three restricted byways that were affected by the proposed flood defence.

Members asked about proposed completion dates, accessibility, public rights of way, public pavements and access to land for construction purposes. Members were informed the completion date was dependent on planning permission, that West Sussex County Council had a ramp that could be used temporarily while the Yacht Club decided how they will provide access; that WSCC held the definitive map that showed all legal routes and the definitive line; that the Council would be working with WSCC to put in a pavement and that part of the standing agreement was that access to the land would be granted to perform construction works.

Members discussed how long construction plans for flood defences had been in place, contingencies in the event that defences were not finished within the planned timeframe and potentially contacting the national flood forum.

**Resolved:****The Joint Audit and Governance Committee**

- **Requested a report regarding risk levels be presented to them, if there is an increase in risk that the flood defences at Sussex Yacht Club are unlikely to be completed by the winter of 2024 as shown on page 197 and 198 of the agenda pack.**
- **Noted the report and the steps taken to mitigate the risk of any further delay with this important project to protect homes and businesses from flooding**

The Committee had a report before it, attached as item 15, which had been circulated to all Members, a copy of which is attached to a signed copy of these minutes. This report sought to update Members of the Joint Audit & Governance Committee on proposed amendments made to Adur District Council's and Worthing Borough Council's Constitutions

Members asked about the potential of any amendments fettering future governments and were informed that no, none of the recommended amendments should result in that.

Members debated the scheduling of ordinary council meetings during the pre-election period, the order of agenda at those council meetings, the merits of reducing the threshold on officer decisions from 100k to 75k and the budget recommendations.

**Resolved:**

**The Joint Audit and Governance Committee**

- **Noted the use of the Monitoring Officer's delegation to make minor and inconsequential amendments.**
- **Endorsed the remaining amendments to the Constitutions proposed by the Working Group and the Monitoring Officer and recommended the revised Constitutions to both Full Councils for their approval with the following additional recommendations from the committee to full council:-**
  - a. **That no ordinary meeting of Full Council should be scheduled during the pre-election period, without the approval of the Proper Officer, who will take into account whether the forthcoming election was in respect of the Borough or District elections, or other election, and the level of political sensitivity around each election which should impact on Council business;**
  - b. **That the value of a Key Decision under the Council's Financial Regulations and Article 12.03 of the Constitution remains at £100,000 on the basis that Officers will publish Decision Notices and Consult in writing with the relevant Cabinet Members**
  - c. **That the proposed amendments to Paragraph 6.1 of the Budget Procedure Rules presented to the Committee be postponed pending a review by the Joint Overview and Scrutiny Committee of its involvement in budget strategy and review.**

**JGC/71/23-24            The Councils' Surveillance Powers Policy and Procedure (RIPA)**

The Committee had a report before it, attached as item 16, which had been circulated to all Members, a copy of which is attached to a signed copy of these minutes. The report provided an update on the usage and activity of RIPA requests during 2023/24 and advised Members of the Monitoring Officer's review of the Councils' Surveillance Policy and Procedure.

Members asked about some of the details included, like phone numbers being up to date and correct. Members were informed these had now all been checked and were working.

**Resolved:**

**The Joint Audit and Governance Committee**

- **Noted that neither Council has used its surveillance powers under the Regulation of Investigatory Powers Act 2000 in the year 2023/24.**
- **Noted that the Councils' Joint Surveillance Policy and Procedure of September 2017 has been reviewed but no revisions are recommended, other than very minor amendments as detailed further within this report.**

The meeting was declared closed by the Chairman at 10.42 pm, it having commenced at 6.30 pm

**Chairman**