



ADUR & WORTHING
C O U N C I L S

19 May 2020

Joint Governance Committee

Date:	28 May 2020
Time:	6.30 pm
Venue:	Remote Meeting

Committee Membership:

Adur District Council: Councillors; Kevin Boram (Adur Chairman), David Balfe, Paul Mansfield, Andy McGregor (Adur Vice-Chairman), Barry Mear, Ann Bridges, Brian Coomber and Debs Stainforth

Worthing Borough Council: Councillors; Lionel Harman (Worthing Chairman), Louise Murphy (Worthing Vice-Chairman), Tim Wills, Mike Barrett, Steve Waight, Steve Wills, Rebecca Cooper and Bob Smytherman

(The Committee membership will be confirmed at the Adur and Worthing Annual Council meetings on the 21st and 26th May respectively.)

Agenda

Part A

1. Substitute Members

Any substitute members should declare their substitution.

2. Declarations of Interest

Members and officers must declare any disclosable pecuniary interests in relation to any business on the agenda. Declarations should also be made at any stage such an interest becomes apparent during the meeting.

If in doubt contact the Legal or Democratic Services representative for this meeting.

3. Minutes

To approve the minutes of the Joint Governance Committee meeting held on 28 January 2020, copies of which have been previously circulated.

4. Public Question Time

To receive any questions from members of the public.

In order for the Committee to provide the fullest answer, questions from the public should be submitted by **noon on Friday 22 May 2020**.

Where relevant notice of a question has not been given, the person presiding may either choose to give a response at the meeting or respond by undertaking to provide a written response within three working days.

Questions should be submitted to Democratic Services,
democratic.services@adur-worthing.gov.uk

(Note: Public Question Time will operate for a maximum of 30 minutes)

5. Items Raised under Urgency Provisions

To consider any items the Chairman of the meeting considers to be urgent.

6. Internal Audit Progress Report (Pages 1 - 64)

To consider a report from the Acting Head of Internal Audit, copies attached as item 6.

7. Revised 2020/21 Internal Audit Plan (Pages 65 - 70)

To consider a report from the Acting Head of Internal Audit, copy attached as item 7.

8. Annual Governance Statements 2019/20 (Pages 71 - 122)

To consider a report by the Director for Digital & Resources, copy attached as item 8.

9. Audit enquiries to those charged with Governance (Pages 123 - 132)

To consider a report by the Director for Digital & Resources, copy attached as item 9.

10. Risks and Opportunities Update Report (Pages 133 - 160)

To consider a report by the Director for Digital & Resources, copy attached as item 10.

11. Local Government Ombudsman Monitoring Report (Pages 161 - 180)

To consider a report by the Director for Digital & Resources, copy attached as item 11.

12. Update of the CCTV Policy (Pages 181 - 202)

To consider a report by the Director for Digital & Resources, copy attached as item 12.

13. 2019/20 Review of Petitions Scheme (Pages 203 - 208)

To consider a report by the Monitoring Officer, copy attached as item 13.

14. Exclusion of the Press and Public

In the opinion of the Proper Officer the press and public should be excluded from the meeting for consideration of item 15. Therefore the meeting is asked to consider passing the following resolution:

'that under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting from the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in the paragraph of Part 1 of Schedule 12A to the Act indicated against the item'

Part B Exempt Reports - Not for Publication

15. Annual Review of Complaints about Member Conduct - 2019/20 (Pages 209 - 218)

To consider an exempt report by the Monitoring Officer, copy attached as item 15.

Recording of this meeting

Please note that this meeting is being live streamed and a recording of the meeting will be available to view on the Council's website. This meeting will be available to view on our website for one year and will be deleted after that period. The Council will not be recording any discussions in Part B of the agenda (where the press and public have been excluded).

For Democratic Services enquiries relating to this meeting please contact:	For Legal Services enquiries relating to this meeting please contact:
Neil Terry Democratic Services Lead 01903 221073 neil.terry@adur-worthing.gov.uk	Susan Sale Solicitor to the Councils 01903 221119 susan.sale@adur-worthing.gov.uk

Duration of the Meeting: Four hours after the commencement of the meeting the Chairperson will adjourn the meeting to consider if it wishes to continue. A vote will be taken and a simple majority in favour will be necessary for the meeting to continue.



ADUR & WORTHING
COUNCILS

Joint Governance Committee

28 May 2020

Agenda Item 6

Key Decision: No

Ward(s) Affected: N/A

INTERNAL AUDIT PROGRESS REPORT

REPORT BY THE ACTING HEAD OF INTERNAL AUDIT

Executive Summary

1. Purpose

This report seeks to update Members of this Committee with:

- 1.1 The current performance of the Internal Audit Section.
- 1.2 Summary information on the key issues raised in final audit reports issued since our last report to the Committee.
- 1.3 The current status on the implementation of agreed audit recommendations.
- 1.4 An update on Priority 1 recommendations outstanding past their agreed implementation date.
- 1.5 Fraud work conducted by the Councils' Corporate Investigations Team.
- 1.6 This report also provides the Members of this Committee with the Head of Internal Audit's opinion reports on the system of internal control at Adur District Council and Worthing Borough Council during 2019/20.

2. Recommendations

2.1 Recommendation One

That the Committee note the contents of this report.

3. Context

3.1 Background

Each quarter, a report is produced for this Committee which details the Internal Audit Section's performance against the current Annual Internal Audit Plan and summarises the results of audit work carried out.

Each year a Head of Internal Audit (HoIA) Report is generated to meet the Head of Internal Audit annual reporting requirements set out in the UK Public Sector Internal Audit Standards (PSIAS) and the Accounts and Audit Regulations. The HoIA Report is an opinion statement provided for the use of the Councils in support of their Annual Governance Statements.

4. Issues for Consideration

4.1 Covid-19

While the Internal Audit function has continued to operate since the Covid-19 lockdown on 23 March 2020, progress on audits which were “in progress” or planned to start in March when the Covid-19 crisis emerged, has been delayed. The progression of audit work has been impacted by audit resources working at home and the availability of auditees due to their understandable involvement in front line and other key service work. We have also noted that progress on follow-up work has been impacted.

Progress has been discussed with the Chief Finance Officer (CFO) and as a result some changes to the 2019/20 Audit Plan have been agreed and the proposed 2020/21, which was reported to the Committee back on 24 March 2020, has been revised. It is our intention to resume the “in progress” audits this month (May 2020) and to start work on 2020/21 audits from July, when it is hoped new working arrangements following the relaxation of lockdown measures will be in place.

4.2 Internal Audit Performance - 2019/20

The 2019/20 Annual Internal Audit Plan presented to the Joint Governance Committee on 26 March 2019 contained 510 days and 35 items of audit work to be undertaken by the Internal Audit Service during the year.

Since approval, the audit plan has been revised to accommodate requests to move audits to different parts of the year and to take account of changes in requirements. The current plan is summarised as:

Period	Audits planned	No of days planned	% of days planned
Quarter 1 (April – June)	2	42.5	9.4%
Quarter 2 (July – September)	9	104.5	23.1%
Quarter 3 (October – December)	9	135.5	29.9%
Quarter 4 (January – March)	12	170.5	37.6%
	32	453	100%

As at 30 April 2020, 370.33 (75.9%) of the planned days had been delivered. Attached as **Appendix 1** is a summary of the current status of audits in the plan.

4.3 **Final Audit Reports**

Recommendations made in audit reports are categorised according to the level of priority as follows:

Priority 1	Major issues for the attention of senior management.
Priority 2	Other recommendations for local management action.
Priority 3	Minor matters.

Internal Audit's assurance opinions accord with an assessment of the controls in place and the level of compliance with these controls. During the course of an audit, a large number of controls will be examined for adequacy and compliance. The assurance level given is the best indicator of the system's control adequacy. The assurance levels and their associated explanations are:

Full Assurance	There is a sound system of control designed to achieve the system objectives and the controls are being consistently applied.
Satisfactory Assurance	While there is a basically sound system, there are weaknesses that put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
Limited Assurance	Weaknesses in the system of controls are such as to put the system objectives at risk, and/or the level of non-compliance puts the system objectives at risk.
No Assurance	Control is generally weak, leaving the system open to significant error or abuse, and/or significant non-compliance with basic controls leaves the system open to error or abuse.

A summary of the final reports issued since our last report to this Committee, including the key issues raised, is attached as **Appendix 2**.

Since our report to the Committee in March 2020, three reports have been finalised. Two were given a Satisfactory Assurance opinion and one was given a Limited Assurance opinion (Compliance with the DPA 2018 & GDPR). Three P1 recommendations were raised within these reports, (all being within the limited assurance audit).

Details of the Priority 1 and Priority 2 recommendations raised within these reports have been circulated to Members prior to the meeting in a separate briefing note.

4.4 **Follow up of Audit Recommendations**

In accordance with the Council's Follow-Up Protocol, we have continued following-up the status of implementation of recommendations contained in final audit reports.

Follow-up is undertaken to ensure that all recommendations raised have been successfully implemented according to the action plans agreed with the service

managers. The Follow-up Protocol requires implementation of 80% of all priority 2 and 3 recommendations and 100% of priority 1 recommendations.

The current performance in relation to these targets for the last three years is shown in the tables below:

Status of recommendations 2017/18

	Total Due	Imp	%	Carried Over (Not Impl'd)	%	Overdue	%	Overdue & No Response	%	Total % NOT Impl'd	Not Due	Total
P1	37	30	81.1%	0	0%	7	18.9%	0	0%	18.9%	0	37
P2	84	56	66.7%	6	7.1%	19	22.6%	3	3.6%	33.3%	2	86
P3	25	21	84%	2	8%	1	4%	1	4%	16%	2	27
Other	1	0	0%	0	0%	1	100%	0	0%	100%	0	1
Total	147	107	72.8%	8	5.4%	28	19.1%	4	2.7%	27.2%	4	151

Status of recommendations 2018/19

	Total Due	Imp	%	Carried Over (Not Impl'd)	%	Overdue	%	Overdue & No Response	%	Total % NOT Impl'd	Not Due	Total
P1	14	8	57.1%	0	0%	1	7.2%	5	35.7%	42.9%	4	18
P2	90	67	74.4%	0	0%	12	13.3%	11	12.3%	25.6%	20	110
P3	34	30	88.2%	0	0%	4	11.8%	0	0%	11.8%	5	39
Total	138	105	76.1%	0	0%	17	12.3%	16	11.6%	23.9%	29	167

Status of recommendations 2019/20

	Total Due	Imp	%	Carried Over (Not Impl'd)	%	Overdue	%	Overdue & No Response	%	Total % NOT Impl'd	FU Not Due	Total
P1	0	0	0%	0	0%	0	0%	0	0%	0%	5	5
P2	34	8	23.5%	0	0%	2	5.9%	24	70.6%	76.5%	8	42
P3	5	3	60%	0	0%	0	0%	2	40%	40%	3	8

Total	39	11	28.2%	0	0%	2	5.1%	26	66.7%	71.8%	16	55
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Attached as **Appendices 3, 4 & 5**, are tables which summarise the current follow-up status of recommendations made in final audit reports from audits contained in the 2017/18, 2018/19 and 2019/20 Audit Plans. The shaded boxes indicate where changes have occurred since our last report.

We are also continuing to follow up on 11 recommendations (all Priority 2) which remain outstanding from audits contained in the 2016/17 Audit Plan.

As requested at the Committee's meeting on 22 January 2019 we have highlighted in **Appendix 6** those Priority 1 recommendations which remain outstanding after the agreed implementation dates.

It should be noted that, following the Committee meeting in January 2020, officers responsible for implementing the outstanding Priority 1 recommendations were written to informing them that the Committee were actively monitoring the implementation of these recommendations and that, where sufficient actions were not being taken in a timely action, officers may be requested to attend the next Committee meeting. This helped improve the engagement of officers in the follow up process.

There are 13 outstanding Priority 1 recommendations detailed within this report compared to 14 within the report to the Committee on 24 March 2020.

4.5 Fraud

We periodically provide an update/summary of fraud work conducted within the Councils. Attached as **Appendix 7** is an update on the work completed by the Councils' Corporate Investigations Team during 2019/20.

4.6 Head of Internal Audit's Opinions – 2019/20

From the Internal Audit work undertaken in 2019/20, it is our opinion that we can provide **Satisfactory Assurance** that the system of internal control in place at both Adur District Council and Worthing Borough Council for the year ended 31 March 2020 accords with proper practice. We did, however note the following significant control issue, which relates to Adur District Council only:

- Further control issues identified from audits conducted in Housing (including procurement and contract management issues) - Adur District Council only.

Attached as **Appendices 7 and 8** are the Head of Internal Audit's Annual reports for Adur District Council and Worthing Borough Council for the year 2018/19. The detailed summary of the 2019/20 audits summarised in the HoIA reports is included in **Appendix 1**.

5. Engagement and Communication

- 5.1** Internal Audit attends monthly meetings with the Chief Financial Officer (CFO) on progress against the plan. Issues arising and potential plan changes are discussed both at these meetings and whenever necessary. The Acting Head of Internal Audit, Engagement Manager and the CFO have had specific discussions recently

in relation to the Covid-19 situation and impact on Internal Audit work. From this a revised plan has been developed which is included for consideration by the Committee within this meeting's agenda.

6 Financial Implications

6.1 There are no financial implications arising from this report.

7. Legal Implications

7.1 There are no legal matters arising as a result of this report.

Background Papers

None

Officer Contact Details:

Dave Phillips, Acting Head of Internal Audit

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Tel: 01903 221255

Dave.phillips@mazars.co.uk

Sustainability & Risk Assessment

1. Economic

Matter considered and no issues identified.

2. Social

2.1 Social Value

Matter considered and no issues identified.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified.

4. Governance

The report does not seek to meet any particular Council priority.

	Project	Field Work complete	Draft issued	Final issued	Assurance level	1	2	3	Total	P1 issues
1	HR Data Input & accuracy	Y	Y	Y	Limited	2	8	1	11	Integration of data from HR to payroll system & data validation
1	Decision Making	Y	Y	Y	Satisfactory	0	2	0	2	No P1 recs
2	Rent in Advance	Y	Y	Y	Limited	1	10	1	12	Review of privacy notices and consents for DPA compliance
2	VAT Arrangements	Y	Y	Y	Satisfactory	0	0	1	1	No P1 recs
2	Housing Allocations	Y	Y	Y	Satisfactory	0	3	1	4	No P1 recs
2	Budget Development	Y	Y	Y	Satisfactory	0	1	0	1	No P1 recs
2	Management of Call Centre volumes	Y	Y	Y	Satisfactory	0	2	0	2	No P1 recs
2	Corporate Governance	Y	Y	Y	Satisfactory	0	0	2	2	No P1 recs
2	Building Maintenance Compliance (non Housing)	Y	Y							
2	Account Security	Y	Y							
2	Planning Enforcement	Y	Y	Y	Limited	0	8	1	9	No P1 recs
3	Revenues & Benefits	Y	Y	Y	Satisfactory	0	0	1	1	No P1 recs
3	Councils preparedness for EU exit	Y	Y	Y	Satisfactory	0	0	1	1	No P1 recs
3	Management of Community Buildings	Y	Y							
3	Apprenticeships	Y	Y	Y	Satisfactory	0	5	0	5	No P1 recs
3	Regulatory Compliance (Housing)	Y	Y							
3	Homeless Reduction Act compliance	Y	Y							
3	Cashiering	Y	Y	Y	Satisfactory	0	1	0	1	No P1 recs
3	Land Charges	Y	UR							
4	Asbestos Management (non Housing)	Y	Y							
4	GDPR Compliance	Y	Y	Y	Limited	3	3	0	6	Populating RoPAs, privacy notices within application forms & automatic deletion of data in line with retention policy
4	Management of Major Projects	P								
4	Management of the Commercial Property Portfolio	P								
4	Tenancy Management	POST								
4	General Ledger	WIP								
4	Exchequer (Creditors & Debtors)	WIP								
4	Risk Management	Y	Y	Y	Satisfactory	0	4	0	4	No P1 recs
4	Business Continuity	POST								
4	Contract audit - Concrete Repairs - Grafton Car Park	WIP								
4	Procurement & Contract Management Housing	WIP								
4	Management of Capital Programme	WIP								
4	Network Architecture and Resilience	WIP								

KEY

WIP - Work in Progress

UR - Work under review

P - Work in planning stage

POST - audit due to commence in March but postponed due to Covid-19 outbreak

Audit Title (Year)	Assurance Level & Number of Issues	Summary of key issues raised
Apprenticeships (19/20)	Satisfactory (Five Priority 2 recommendations)	No Priority 1 recommendations raised.
Risk Management (19/20)	Satisfactory (Four Priority 2 recommendations)	No Priority 1 recommendations raised.
Compliance with the Data Protection Act (2018) & General Data Protection Regulations (GDPR)	Limited (Three Priority 1 and three Priority 2 recommendations)	<p>The Priority 1 recommendation raised were in respect of:</p> <ul style="list-style-type: none"> - The need for GDPR/Data Protection (DP) Leads to maintain and link their Registers of Processing Activities (RoPAs) to the central catalogue of RoPAs; - The need to GDPR/DP Leads to ensure that application forms used by their service areas refer to the relevant privacy notice and the DPA 2018; and - Service areas taking continued action to ensure that expired data is identified and deleted automatically.

	Joint Audit	Final Report Date	Assurance level	Recs not applicable for follow up	Total No of Recs	Number of agreed recs completed	1	2	3	Other	Percentage of recs completed	Recs carried over into next audit	%of recs carried over	Number of recs outstanding	1	2	3	Other	Percentage of recs outstanding	Key auditees	Comments
Director for Communities																					
Housing																					
Rent Collection and Collection of Arrears	ADC	Jan-18	Satisfactory		2	1	0	1	0	0	50%			1	0	0	1	0	50%	P Turner	Update provided confirmed recs is in progress & Capita have been engaged to undertake the work - deadline revised to 31/3/20 - no update yet Update provided on 3/4/20 confirmed work is still being undertaken on outstanding recs - Further update on P1 recs provided - deadlines revised
Leaseholder Charges	ADC	Mar-18	No		39	19	8	8	3	0	49%			20	7	13	0	0	51%	N Freeman	
Gas Safety Inspections	ADC	Jul-18	Limited	4	16	12	3	9	0	0	75%			4	0	4	0	0	25%	C Barber	
Housing Repairs	ADC	Feb-19	Limited	13	2	2	0	2	0	0	100%										
Handyman Service	*	Jan-18	Limited	10	1	1	1	0	0	0	100%										
Wellbeing																					
Contract Management audit - Voluntary & Community contract	*	Feb-18	Satisfactory	1	1	1	0	1	0	0	100%										COMPLETE
Director of Digital & Resources																					
Finance																					
Budget Management	*	Dec-17	Satisfactory	1	1	1	0	1	0	0	100%										S Gobey
General Ledger	*	Mar-18	Satisfactory		5	4	0	2	2	0	80%	1	20%								
Capital Accounting	*	Apr-18	Satisfactory		1	1	0	1	0	0	100%										
Treasury Management	*	Dec-17	Satisfactory		2	2	0	1	1	0	100%										
Compliance with IR35 - Tax legislation	*	Feb-19	Limited		6	2	1	1	0	0	33%			4	0	3	1	0	67%		
Creditors	*	Feb-18	Satisfactory		2	2	0	0	2	0	100%										
Debtors	*	Feb-18	Satisfactory	1	2	2	0	2	0	0	100%										
Payroll	*	Apr-18	Satisfactory		4	3	1	1	1	0	75%	1	25%								
Cashiering	*	Mar-18	Satisfactory		2	2	0	1	1	0	100%										
Legal																					
Corporate Governance & Ethical Standards	*	Jan-18	Satisfactory		2	2	0	2	0	0	100%										COMPLETE
Design & Digital																					
Compliance with the Data Protection Act	*	Apr-18	Satisfactory		9	9	1	7	1	0	100%										COMPLETE 2 outstanding recommendations re-raised in 18/19 audit
Risk Management	*	Apr-18	Satisfactory		4	2	0	2	0	0	50%	2	50%								
People																					
Human Resources	*	Feb-18	Limited	1	6	6	3	3	0	0	100%										COMPLETE
Revenues & Benefits																					
Revenues (Council Tax & NDR)	*	Jul-18	Satisfactory	1	4							4	100%								Recommendations re-iterated in 18/19 audit
Benefits																					COMPLETE
Computer Audits																					
Firewall & Cyber Security	*	Oct-17	Satisfactory		5	5	0	1	4	0	100%										COMPLETE COMPLETE
GDPR Readiness Gap Analysis	*	Apr-18	Limited	4	16	16	9	5	2	0	100%										
Revs & Bens - Academy application	*	Jan-19	Limited	3	4	4	2	1	1	0	100%										COMPLETE Two P2 recs are overdue and the deadlines have been revised - the remaining recommendations will be followed up through Audit App when due
Mats - Application Audit	*	Oct-19	Satisfactory	2	6									6	0	4	2	0	100%	S Miller	
Review of Technology Strategy	*	Apr-18	No opinion given		1									1	0	0	0	1	100%	P Brewer	deadline was extended to Mar 20 but no update provided yet.
Contract Audits																					
Procurement Compliance	*	Sep-18	Satisfactory		6	6	1	2	3	0	100%										COMPLETE
					151	107	30	56	21	0	71%	8	5%	36	7	24	4	1	24%		

	Joint Audit	Final Report Date	Assurance level	Recs not applicable for follow up	Total No of Recs	Number of agreed recs completed	1	2	3	Other	Percentage of recs completed	Recs carried over into next audit	%of recs carried over	Number of recs outstanding	1	2	3	Other	Percentage of recs outstanding	Key auditees	Comments
Director for Communities																					
Adur Worthing Contract Services Waste Management	*	Mar-19	Satisfactory		7	6	0	4	2	0	86%			1	0	0	1	0	14%	M Marchant	Update provided through App has confirmed deadline for o/s changed to 3/8/20.
Environment Bereavement Services	*	Nov-18	Satisfactory		4	2	1	1	0	0	50%			2	0	2	0	0	50%	K Greening	Implementation date for the 2 outstanding recs has been revised
Housing Building Services - Stocks & Stores	ADC	Oct-19	Limited		8									8	3	5	0	0	100%	A Alexander	Update provided in Mar re one overdue P1 rec but no further updates received yet for 7 recs now passed their implementation date.
Right to Buy	ADC	Jul-18	Satisfactory		3	3	0	2	1	0	100%										COMPLETE
Rent Collection and Collection of Arrears	ADC	May-19	Satisfactory		4	4	1	2	1	0	100%										COMPLETE
Housing Repairs - Matsoft processes	ADC	Mar-20	Limited		30	3	1	2	0	0	10%			27	4	18	5	0	90%	C Barber	Recommendations will be followed up through App when they become due
Wellbeing Food Safety & Registration for Businesses	*	May-19	Limited	2	11	11	0	9	2	0	100%			1	0	1	0	0	25%	N Shad	COMPLETE
Air & Water Quality	*	Mar-19	Satisfactory		4	3	0	3	0	0	75%										The recommendation owner has confirmed data has now been received from WSCC which needs to be reviewed revised deadline of 30/6/20 set
Director of Digital & Resources																					
Business & Technical Services																					
Business Travel - Vehicles	*	Jan-19	Satisfactory	3	8	8	1	4	3	0	100%										COMPLETE
Health & Safety	*	Jun-19	Satisfactory		2	2	0	2	0	0	100%										COMPLETE
Customer Contact NSL Contract Management	*	Sep-18	Full																		No Follow up due as no recommendations made
Customer & Digital Services Risk Management	*	May-19	Satisfactory		7	6	0	5	1	0	86%			1	0	1	0	0	14%	M Lowe	One rec due by 31/12 was confirmed as still outstanding in 19/20 audit but no revised deadline has been set.
Compliance with the Freedom of Information Act	*	Mar-19	Limited	6	9	5	1	4	0	0	56%			4	1	3	0	0	44%	M Koltsova	Update provided through App confirmed 2 further recs completed and deadlines revised for remaining 4
Finance General Ledger	*	May-19	Satisfactory		3	3	0	2	1	0	100%										COMPLETE
Capital & Fixed Asset Accounting	*	Mar-19	Full																		No Follow up due as no recommendations made
Treasury Management	*	Nov-18	Full																		No Follow up due as no recommendations made
Creditors	*	Nov-18	Satisfactory	2																	New system implemented and currently being audited - therefore closed this audit
Debtors	*	Dec-18	Satisfactory	3																	New system implemented and currently being audited - therefore closed this audit
Payroll	*	May-19	Satisfactory	5	1	1	0	1	0	0	100%										COMPLETE
Cashiering	*	Nov-18	Satisfactory		1	1	0	1	0	0	100%										COMPLETE
Legal Corporate Governance	*	Mar-19	Satisfactory		9	3	0	2	1	0	33%			6	1	2	3	0	67%	S Gobey & S Sale	Deadline has been revised for o/s P1 and 1 o/s P2 rec. No update yet provided for 1 o/s P2 recs. 19/20 annual corporate gov audit noted the actions from 3 P3 recs are still to be addressed and this was noted in the final report issued in Jan 20.
Revenues & Benefits Revenues (Council Tax & NDR)	*	Mar-19	Satisfactory		3	3	1	1	1	0	100%										COMPLETE
Benefits	*	Feb-19	Satisfactory		4	4	1	0	3	0	100%										COMPLETE
Director for Economy																					
Culture Theatres Box Office	WBC	Feb-19	Satisfactory	1	8	8	0	2	6	0	100%										COMPLETE
Place & Investment Asset Management	*	Mar-20	Limited	2	4									4	1	3	0	0	100%	C Cronin & S Spinner	3 recs due at 31 Mar 20 no update provided yet
Planning & Development Place & Economy	*	Sep-18	Satisfactory		8	8	0	6	2	0	100%										COMPLETE
Development Management	*	Feb-19	Satisfactory		7	5	0	5	0	0	71%			2	0	2	0	0	29%	L Lord	No update yet provided re o/s 2 recs

Computer Audits																			
Data Centre Access Procedure	*	Jul-19	Limited		11	6	1	5	0	0	55%			5	0	5	0	0	45%
Content Management (Website- Internet)	*	DRAFT																	
Contract Audits																			
Construction - Adur Civic Centre Phase 1	*	WIP																	
Fire Doors	ADC	DRAFT																	
Car Parks - LED lighting replacement	WBC	Jan-19	Satisfactory		5	5	0	1	4	0	100%								
Cross Service Audits																			
Emergency Planning	*	Nov-18	Satisfactory		3	3	0	2	1	0	100%								
Energy Management	*	Aug-19	Satisfactory	1	3	2	0	1	1	0	67%			1	0	1	0	0	33%
					167	105	8	67	30	0	63%	0	0%	62	10	43	9	0	37%

Update provided through App confirmed deadlines extended for 4/5 recs now overdue - no update yet provided for remaining o/s rec.

COMPLETE

COMPLETE
Deadline for o/s rec revised to 31/12/20.

	Joint Audit	Final Report Date	Assurance level	Recs not applicable for follow up	Total No of Recs	Number of agreed recs completed	1	2	3	Other	Percentage of recs completed	Recs carried over into next audit	% of recs carried over	Number of recs outstanding	1	2	3	Other	Percentage of recs outstanding	Key auditees	Comments
Director for Communities																					
Housing																					
Tenancy Management	ADC only	Mar-20	Limited	1	11									11	1	9	1	0	100%	A Eremie	Recs will be followed up through the App when due - 1 P2 due at end of Mar but no update yet
Rent in Advance	*																				
Regulatory Compliance	ADC only	DRAFT																			
Homeless Reduction Act compliance	*	DRAFT												2	0	1	1	0	100%	M Butler	Recs were due for implementation at end of Mar -
Allocations	*	Dec-19	Satisfactory	2	2																
Wellbeing																					
Management of Community Buildings	*	DRAFT																			
Director of Digital & Resources																					
Revenues & Benefits																					
Revenues & Benefits	*	Feb-20	Satisfactory		1									1	0	0	1	0	100%	P Tonking	Rec will be followed up through the App when due
Financial Services																					
General Ledger	*																				
Exchequer (Creditors & Debtors)	*	Feb-20	Satisfactory		1	1	0	1	0	0	100%			1	0	1	0		100%	S Gobey	COMPLETE
Cashiering	*	Oct-19	Satisfactory		1																review of App confirmed rec still not implemented - no update yet.
Budget Development	*																				COMPLETE
VAT Arrangements	*	Oct-19	Satisfactory		1	1	0	0	1	0	100%										COMPLETE
Customer & Digital Services																					
Management of Call Centre volumes	*	Aug-19	Satisfactory	1	1	1	0	1	0	0	100%										COMPLETE
Risk Management	*	Apr-20	Satisfactory		4									4	0	4	0	0	100%	M Lowe	Rec will be followed up through the App when due
Legal Services																					
Corporate Governance	*	Jan-20	Satisfactory	1	1	1	0	0	1	0	100%										COMPLETE
Decision Making	*	Sep-19	Satisfactory	1	1									1	0	1	0		100%	N Terry	Rec was due on 31/10/19 but no update provided yet.
Human Resources																					
Data input & accuracy	*	Feb-20	Limited	1	10									10	1	8	1	0	100%	H Christmas	7 Recs now overdue no update as yet - remainder will be followed up through the App when due
Apprenticeships	*	Apr-20	Satisfactory		5									5	0	5	0	0	100%	A Newnham	Rec will be followed up through the App when due
Business & Technical Services																					
Asbestos Management (non Housing)	*	DRAFT																			
Business Continuity	*																				
Building Maintenance Compliance (non Housing)	*	DRAFT																			
Director for Economy																					
Planning & Development																					
Land Charges	*																				
Planning Enforcement	*	Jan-20	Limited		9	5	0	5	0	0	56%			4	0	3	1	0	44%	J Blower	Recs will be followed up through the App when due
Major Projects & Investment																					
Management of Major Projects	*																				
Management of the Commercial Property Portfolio	*																				
COMPUTER AUDITS																					
Network Architecture and Resilience	*																				
Account Security	*																				
GDPR Compliance	*	Apr-20	Limited		6	1	0	1	0	0	17%			5	3	2	0	0	83%	M Koltsova	Recs will be followed up through the App when due
CONTRACT AUDITS																					
Management of Capital Programme	*																				
Contract audit - Concrete Repairs Grafton Car Park	WBC only																				
Procurement & Contract Management - Housing	*																				
CROSS SERVICE REVIEWS																					
Councils preparedness for EU exit	*	Dec-19	Satisfactory		1	1	0	0	1	0	100%										COMPLETE
					55	11	0	8	3	0	20%	0	0%	44	5	34	5	0	80%		

Outstanding Priority 1 Recommendations

Appendix 6

Leaseholder Service Charges (2017-18 Final Report issued March 2018)

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
<p>3.1 The Council should document a Leasehold Management Policy, which outlines the legislative framework (and timescales) within which it is required to operate for the various leasehold functions and services that it provides.</p> <p>The policy should:</p> <ul style="list-style-type: none"> Outline any local policy decisions in respect of the management of leaseholders, recovery of charges etc. and detail how these requirements will be achieved; Clearly state how the Council will deal with major repair costs, including outlining the statutory processes that have to be completed and the timescales to ensure the recovery of costs (e.g. invoice or issue S20B notice within 18 months of cost being incurred; and State at what level the cost of repairs will be pursued (e.g. minor costs above the £250 legislative rate may not be cost effective for the Council to pursue where there are only a few leaseholders, but if there were several then the costs and effort would be worth it). <p>Once documented, the Policy should be approved by the relevant senior management, member and committee.</p>	<p>There is currently no approved documented policy for Leasehold Management.</p> <p>Where an up to date documented and approved policy does not exist, there is a risk that the Council's objectives and/or responsibilities are not known and may not therefore be achieved.</p>	<p>An overarching policy will be developed. This will be supported by a set of detailed policies and procedures. Work has already begun on identifying those that are required and this will be used as an action plan to ensure all required actions are completed.</p> <p>Deadline - 30th September 2018</p>	<p>Update provided by Interim Leasehold Manager confirmed that a policy was drafted but that the process of consultation and approval needed to be agreed and then completed.</p> <p>Update provided by Housing Operations Manager on 4/3/20 confirmed:-</p> <p>The Repairs policy has been rejected on the grounds of a lack of consultation. A clearer consultation strategy will be needed as part of the process of approving this policy. The aim will be to define this in March 2020. The policy may not be approved therefore until after the local election in May 2020. The target for this needs to be revised to May/June 2020.</p> <p>Updated provided by Interim Leasehold Manager on 3/4/20 confirmed:-</p> <p>Policy drafted. Consultation vehicle or forum for leaseholders needs to be set up in line with AH resident engagement strategy. Not practical to progress during covid situation. Deadline extended.</p>	<p>31st July 2020</p>

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
<p>3.10 Debt recovery procedures should be established, documented and undertaken regularly. Regular reports of outstanding debts for service charges, ground rents, major works and any other charge made to leaseholders should be generated and monitored by relevant staff. Any action taken, i.e. issuing of reminder notes to leaseholders, should be recorded within the HMS and copies of documents attached to the leaseholder accounts on I@W.</p>	<p>Discussions with the TSM at the start of this audit established that, as a result of system changes within Leaseholder Services, including changes in invoicing, debt recovery procedures were not undertaken during the 2016/17 financial year and at the start of the 2017/18 financial year. We were advised that this was being reviewed and tested within the HMS so debt recovery procedures could start being undertaken by relevant officers and we acknowledge that some debt recovery work has now occurred.</p> <p>We obtained aged debts reports and as at 16/10/17 the outstanding balances were:</p> <ul style="list-style-type: none"> - Main A/C £146,266.03 - Major works £161,477.44. <p>As invoicing has only occurred through HMS since April 2016, this volume of debt is that outstanding since then.</p> <p>Outstanding debts, prior to April 2016 were generated through and are being monitored and recovered through the Council's Debtors system.</p> <p>Where debt recovery procedures are not in place, there is a risk that monies owed to the Council are not collected and this may impact on the HRA and the Council's finances.</p>	<p>Will be developed in line with recommendations 3.1 & 3.3.</p> <p>Deadline - 31st March 2019</p>	<p>Update provided by Interim Leasehold Manager confirmed that a list of areas where policies and procedures need to be developed has been drafted and an action plan with priorities and timescales needs to be put in place to deliver.</p> <p>Update provided by Housing Operations Manager on 4/3/20 confirmed:-</p> <p>This is now in process but active monitoring of the action plan needs to be agreed with the Strategy and Service Improvement Manager.</p> <p>Update provided by Interim Leasehold Manager on 3/4/20 confirmed:-</p> <p>This is part of a wider debt recovery procedure for Adur Homes. Deadline was extended.</p>	<p>30th June 2020</p>
<p>3.12 Management monitoring should be regularly undertaken to ensure that Service Standards are met.</p>	<p>The following Service Standards are detailed within the Leaseholder Handbook:</p> <ol style="list-style-type: none"> 1. Pg 6 - Annual service charge accounts will be sent out by the first 	<p>The Councils' Star Survey will be examined and used to develop standards and KPIs/recordable outcomes to monitor performance.</p>	<p>Update provided by Interim Leasehold Manager confirmed that service standards need reviewing and revising in line with the Leaseholder Policy once it is completed and a</p>	<p>30th March 2021</p>

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
	<p>week of October each year.</p> <p>2. Pg 8 - Advise leaseholders of their service charge bill by the first week in October with a breakdown of costs.</p> <p>3. Pg 10 - Information of what the leaseholder pays for - "you will receive a service charge bill once a year in October. The period you are paying for is the previous six months which is an actual cost and the following six months which is an estimated cost".</p> <p>4. Pg 11 - details how the service charge can be paid - in full or 10 monthly instalments.</p> <p>5. Pg 13 - details on management charges (25% of repair costs & 10% major works costs).</p> <p>During our walkthrough of an account we noted the following variances from these standards:</p> <p>1 & 3. – The service charges actuals invoices for 2015/16 were sent on 14/12/2016 not in October.</p> <p>2. – The actual/estimated service charges account was not dated so we were unable to confirm when it was sent.</p> <p>4. Invoice sent on 14/12/2016 does not contain any details on the leaseholder being entitled to pay by instalments.</p> <p>5. Actual/estimated service charges account states Admin Charge@ 10% + £75.</p> <p>Where Service Standards are not met, there is an increased risk of leaseholder dissatisfaction, complaint and reputation loss to the Council.</p>	<p>Ways to report and communicate performance to customers will also be considered.</p> <p>Deadline - 31st December 2018</p>	<p>method for monitoring put in place.</p> <p>Update provided by Housing Operations Manager on 4/3/20 confirmed:-</p> <p>This action is dependent upon 3.1 (policy approval) being achieved and may therefore slip beyond the scheduled target of June 2020. August 2020 is suggested provisionally.</p> <p>Update provided by Interim Leasehold Manager on 3/4/20 confirmed:-</p> <p>The complete "suite" of ADH service standards is to be reviewed as part of a service improvement plan. Including how to measure and report performance.</p> <p>Deadline revised.</p>	

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
<p>3.25 A complete revamp of how major works are invoiced is required in order to ensure that works are accurately billed in line with costs incurred, lease requirements and the requirements of Section 20B of the Landlord & Tenant Act 1985.</p> <p>Furthermore clarification should be sought from the relevant experts as to how VAT should be dealt with in respect of recharging leaseholders the cost of major works.</p>	<p>The Landlord and Tenant Act 1985 details specific requirements for invoicing. Accuracy of invoicing also assists the Council recover all sums expended.</p> <p>From our review of the major works monitoring spreadsheet, we noted that in many instances, invoicing did not occur until final figures have been received from Technical Services regardless of when the works were completed or when costs were incurred.</p> <p>From our testing on the invoicing for five major works we identified:</p> <ul style="list-style-type: none"> - 1 (85-89 Buci Crescent - Porch) where we found no evidence to confirm that the completed works have been invoiced to the leaseholder or that a Section 20B notice had been served. The contractor's invoice for these works (valued at £3,729.60) was dated 31/1/2015 so under the Section 20B the 18 month rule may no longer be recoverable. - For 2/4 works (387 Brighton Road – <p>These works were consulted on and there is evidence of such within the N drive and I@W however after the 2nd stage consultation we found no further evidence to support how the works progressed or whether a Section 20B notice was issued. We have noted that these works were generated through the HMS order and monitored by ADC Maintenance Officers rather than through Technical Services.</p>	<p>A complete overhaul of the major works invoicing process will be undertaken in line with the development of new processes. Training will then be provided and the Leaseholder Handbook and website information will be updated accordingly.</p> <p>The Government Guidelines on VAT and residential service charges will be considered and complied with during the invoicing process.</p> <p>Deadline - 31st March 2019</p>	<p>Update provided by Interim Leasehold Manager confirmed that this recommendation is being considered as part of the wider review in Adur Homes for the planning, management and delivery of the capital programme.</p> <p>Update provide by Housing Operations Manager on 4/3/20 confirmed:-</p> <p>As an additional update an appointment to the role of Programme manager is due in March 2020 which will facilitate this action. The date for completing needs to be pushed back at least a quarter to 30th June 2020.</p>	<p>30th June 2020</p>

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
	<p>wall ties and 14-18 Lisher Road - replacement of metal railings, balustrades & external decorations), we were unable to locate a copy of the invoice sent to the leaseholder to confirm whether the invoice specifically detailed the actual costs incurred (as required by Section 20B).</p> <p>- For the other 2 works (Grange Court – fire safety and 72-78 Buci Crescent – soil stack) the invoices contain no detail of the actual costs incurred.</p> <p>- 1 (Fire Safety works - Grange Court/Sea House/Locks Court) where the final account figure of £102,811.95 (used to calculate the invoices sent to the leaseholders) does not equate to the sum of the invoices paid to the contractor for these works (£136,067.94).</p> <p>- 1 (72-78 Buci Crescent - Soil Stack) where the tender value was £1,328 yet the final invoice value claimed was £2,096. There is no final account for these works as they were raised as an order through HMS so were managed by a Maintenance Officer. However, the original estimated cost to each leaseholder was £365.20 with the final invoice figure being £371.25. This small increase does not seem to equate to the £768 increase in overall cost of the works.</p> <p>We have also noted during testing that the contracted works attracted VAT yet VAT is not included in any recharge made to leaseholders.</p>			

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
	Where accurate and detailed invoicing does not occur, there is an increased risk that the Council is failing to meet legislative requirements, that leaseholder challenge may occur and that financial loss will result.			
<p>3.31 A process needs to be effected whereby any potential works where the costs may not be recoverable (i.e. due to defective lease/emergency works etc.) are identified at the earliest opportunity and a decision taken by the Head of Housing (HoH) as to whether the works proceed and the costs are borne by the HRA.</p> <p>Where this decision is taken, an authorisation form should be fully completed and certified by the HoH and a copy of the form attached to the relevant job within HMS/I@W in order that an audit trail exists to support that the costs are not being pursued.</p> <p>Discussions on whether works may be un-recoverable should form part of the regular meetings recommended above with Technical Service & Maintenance Officers.</p>	<p>The cost of some works to leasehold properties may not be recoverable due to restrictions of the lease, emergency etc.</p> <p>Authorisation by the Head of Service is therefore required in order to accept that the cost will be borne by the HRA.</p> <p>We were advised that a Write Off Authorisation Form should be completed where the cost of works is considered unrecoverable.</p> <p>Examination of the N drive found ten such forms, none of which are dated and none of which are copies of an actual form authorised by the HoH. Some contain notes as to why the costs are un-recoverable but many do not and all look like they have been raised retrospectively rather than as part of a process whereby a decision is taken in advance not to recover the cost. Seven of the ten were related to jobs raised through the HMS.</p> <p>We also noted an example of an order for works (1-6 Warren Court) valued at £9,200 and raised through HMS where an email suggests that the previous HoH agreed the works should be done with no charge to any leaseholder but no write off form for this was found on the N</p>	<p>The process will need to distinguish between decisions made in advance not to charge leaseholders (i.e. emergency works) and decisions after works carried out on the grounds of "reasonableness". The levels of authority for such decisions will need to be considered also.</p> <p>Deadline - 31st March 2019</p>	As above	30 th June 2020

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
	<p>drive.</p> <p>Where the recovery of work costs is not considered at the inception of the works, there is an increased risk that any unrecoverable costs are not authorised in advance of their being incurred and this may lead to increased costs to the HRA.</p>			
<p>3.32 The Council's Policy in respect of options available to leaseholders for payment of major works should be reviewed, approved by ADC Executive and then consistently applied.</p>	<p>On 15 June 2010, the ADC Cabinet decided the payment option arrangements for leaseholders, this includes the provision of ten year loans. Furthermore, on 13 July 2010 the ADC Cabinet decided additional deferred payment arrangements for works costing more than £5,000 in any financial year.</p> <p>We have not identified any other reports/decisions which revise the decisions taken by the ADC Cabinet in June/July 2010 therefore these decisions would appear to be the most recent and therefore constitute the current policy.</p> <p>These policy decisions are not, however accurately reflected in the current Leaseholders Handbook which states "If you are not able to pay for the cost of major works in full at the time of invoicing, then we offer an interest free loan up to five years depending on the size of the bill and individual circumstances. In this case you will pay in monthly instalments by either direct debit or payment card".</p> <p>The policy decisions were also not detailed correctly in the Paying for Major</p>	<p>The arrangements will be reviewed with Finance and Legal.</p> <p>Deadline - 31st March 2019</p>	<p>As above.</p> <p>Update provide by Housing Operations Manager on 4/3/20 confirmed:-</p> <p>The Leasehold Manager is drafting options for payment for leaseholders. Once this is completed sign off by Finance will be needed. Finance has been consulted as part of the process of drawing up these options.</p>	<p>30th June 2020</p>

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
	<p>Works information that was sent to leaseholders in March 2017 with their invoices. The differences being:</p> <ul style="list-style-type: none"> • The interest added column on the Paying for Major works information states 5.4% for all works costing more than £500 yet this is not what is detailed in the decision by Cabinet. • The Cabinet decision in June 2010 states that "for loans exceeding £1,500, a Land Registry charge would be taken out" the Land Registry requirement on the Paying for Major Works information states N/A for works costing £1,500-£5,000. • The Cabinet decision in July 2010 states the administration fee for deferred payments as £100 yet the Paying for Major Work information states £90. <p>Our walkthrough of a loan arranged in 2015 has shown that he was advised that the charges added to the loan for £10,998 would be 4.4% interest (reviewed annually), £50 admin fee, £40 Land Registry fee and £295 legal costs. This contradicts the Cabinet's decision which states an administration fee of £90 and a Land Registry fee of £50. Furthermore, the reports to the ADC Cabinet in 2010 made no mention of legal costs (nor did the information sent to leaseholders in 2017). The amounts actually invoiced to this leaseholder were £1209.59 interest (so no annual</p>			

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
	<p>review), £295 legal costs and £40 Land Registry fee (so no admin fee and incorrect LR fee).</p> <p>We have further confirmed that as a result of invoices sent in February 2017, one leaseholder requested to pay their major works costs (£3,072.49) over a period of 24 months. The email sent to this leaseholder confirms that no interest has been added and that monthly standing order payments should be arranged by the leaseholder. The policy requires DD payments and there is no mention of admin or Land Registry costs that the policy requires and no evidence can be seen on HMS/I@W to confirm that costs have been invoiced.</p> <p>Where approved policies are not known or accurately and consistently applied, there is an increased risk that loans are incorrectly arranged or that incorrect fees are charged. This may result in financial loss to the Council.</p>			
<p>3.33 Once the Major Works Payment Policy has been decided the Council should review how implementing payment loans/arrangements will for major works will be achieved.</p> <p>An agreed process, which reflects policy requirements should be effected to ensure that any future loans/arrangements are correctly actioned. Legal Services and Finance should be involved in any discussions to ensure that all legal and financial requirements are met.</p> <p>The agreed process should be</p>	<p>Proper arrangements are required to ensure that the Council effects payment arrangements correctly and in line with any policy and legal requirements.</p> <p>We found some procedures and forms (including a Service Charge Loan Application Form) on the N Drive and emails between the Finance and Leasehold teams going back several years. Our examination of this information suggests that the information provided by the leaseholder on the loan application form would seem to be the primary source for calculation</p>	<p>This will be reviewed with Finance and Legal.</p> <p>Deadline - 31st March 2019</p>	<p>As above</p>	<p>30th June 2020</p>

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
<p>formalised in a documented procedure which details the forms that need to be completed, by whom and when and how supporting information/documentation should be retained.</p>	<p>of affordability.</p> <p>Any payment arrangements were effected by Finance until April 2016, when the arrangements transferred to the Adur Homes Leasehold Team.</p> <p>We were advised by the Leasehold Officers that they are very unsure regarding the procedures to be followed, whether they are up-to-date, lines of responsibility etc. They also had queries regarding:</p> <ul style="list-style-type: none"> • how instalments and interest would be applied to Owner Accounts; • monitoring; • how the Council would legally stand in recovering any arrears of interest etc. if charges were not made against properties; and • their ability to calculate interest on loans and setting-up loan/instalment agreements with interest; <p>We have noted elsewhere in the audit inconsistencies with arranging loan agreements and lack of supporting information which would suggest that current arrangements are not effective.</p> <p>Where a defined process for effecting payment arrangements does not exist, there is an increased risk that arrangements are not correctly made or that legal requirements are not satisfied and this may impact on the Council's ability to recover all relevant costs leading to possible financial loss.</p>			

Compliance with the Freedom of Information Act 2018/19 (Final report issued in March 2019)

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
<p>3.10 All FOI requests should be responded to within 20 working days in accordance to the statutory requirements.</p>	<p>The FOI Act requires that FOI requests are replied to within 20 working days.</p> <p>Tests on the sample of ten FOI requests identified three cases where the responses were made after the 20 working day requirement. We also identified a further two cases which did not appear to have been responded to.</p> <p>Where FOI requests are not responded to within twenty working days, there is an increased risk of customer dissatisfaction leading to complaints and investigation by the Information Commissioner. The Councils' reputation will be damaged and they may be fined due to non-compliance.</p>	<p>The SIGO has already taken steps to address this. Any FOI that goes over the deadline becomes the responsibility of the Head of Service. Notifications are also sent to Directors where deadlines are at risk of being missed. Responsibility is escalated as early as possible. Compliance has improved but further work needs to be done. The FOI workshops and online training mentioned above should also highlight the need to respond</p> <p>Deadline - 31st May 2019</p>	<p>Update provided by Head of Customer & Digital Services on 9/8/19 confirmed that performance on FOI responses had improved significantly since the audit and is being reported to CLT but the SIGO position had been vacant since July 2019 but a new officer was starting in October 2019 who will continue to progress the good work completed so far.</p> <p>Update provided by SIGO on 28/2/20 confirmed that "Ongoing issues. Deadline moved to June 2020, because of the ETA for new policies (May 2020), the introduction of the Information Governance Service Plan 20/21 (OLG on 30/03/20) and subsequent development and embedding of compliance standards for Services.</p> <p>Workshop on FOI/EIR for SIOs was held on 24/02/2020 and importance of deadlines reiterated. Also, monthly case studies are now published in the staff newsletter that also reiterate the importance of compliance".</p>	<p>30th June 2020</p>

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
<p>3.8 Mandatory training in respect of governance (such as ethics and risk management) should be provided to all staff when they start at the Councils, as a refresher on a tri-annual basis and when any legislative changes occur.</p> <p>The Monitoring Officer should consult with Human Resources (HR) through the People Working Group or by other means in order to highlight issues and gaps in officer awareness, and identify satisfactory means by which relevant staff could have these areas matched to their training plans.</p>	<p>There is currently no mandatory governance training provided to staff and there is no longer centralised induction training provided where such issues may be raised.</p> <p>Whilst we noted that HR are currently in the process of reviewing training provision, including at time of induction, through the People Working Group, the group did not that time have any representation from Legal/Democratic Services.</p> <p>During the audit we noted a number of areas in which officers expressed reservations about wider staff awareness of core governance requirements including:</p> <ul style="list-style-type: none"> • The need to register and publish notice of key and exempt decisions at least 28 days in advance; and • The need to inform the Monitoring Officer of any sub-delegations of duty. <p>Where officers are unfamiliar with governance requirements, there is a risk that constitutional and/or statutory responsibilities will not be met which could result in unlawful or mismanaged decisions and actions.</p>	<p>Governance and Decision Making Training has been offered on 3 separate occasions to all Senior Managers, Heads of Service & Directors during the last 6 months. This included training about key and exempt decisions.</p> <p>Training on Scheme of Delegations to Officers is being undertaken on a one to one basis with each Head of Service and their managers and there is a rolling programme being undertaken to review all sub delegations and publish the register of sub- delegations. It is anticipated this will be completed by December 2019.</p> <p>Training on ethics should be completed by line managers at induction time with reference to the Officer Code of Conduct and Protocol for Relationships which form part of the constitution and are available to all staff on the website.</p> <p>Deadline - 31st December 2019</p>	<p>Update provide by Monitoring Officer on 24/2/20 confirmed that "induction training is being developed. It is anticipated that this will cover ethics, officer code of conduct, risk management, officer scheme of delegations, committee structure, decision making and key and decisions, exempt information and access to information.</p> <p>It is anticipated that a cycle of the training being delivered every 6 months to new starters will commence this summer".</p> <p>Deadline has been revised to allow for first cycle of training to be conducted.</p>	<p>31st August 2020</p>

Building Services – Stocks & Stores 2018/19 (Final Issued October 2019)

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
<p>The stock control spreadsheet should be kept up to date in order that it accurately reflects the current physical existence of materials in both the main storage and operatives' vans.</p>	<p>Maintaining up to date records assists management in ensuring the accuracy of its' stock levels and provides for effective stock management to be implemented.</p> <p>At the time of the audit, the Building Services Team was revamping its stock control processes. We were informed that an exercise was being undertaken to ensure clear and accurate records are being maintained by the Team in respect of stock type and quantity.</p> <p>Where up to date and accurate stock records are not maintained, there is an increased risk of loss or misappropriation of stock, which would result in a direct financial loss for the Council</p>	<p>Building Services have done some work to revamp processes. Housing Operations Manager to check what the improvements have been insofar as they may resolve some of the action points in the audit report.</p> <p>Deadline - 31st December 2019</p>	<p>A check has been made and confirmation given as at 04/03/2020 that the stores stock sheet is up to date. There is an outstanding need to address the issue of the full stock on each vehicle. An aim will be to complete this by end of April 2020 at the latest.</p> <p>No further update provided</p>	30 th April 2020
<p>Adur Homes should develop a policy that defines, amongst others:</p> <ul style="list-style-type: none"> - How Building Services will procure materials (i.e. through the use of one contracted supplier and/or the use of local suppliers); - The quality standards expected when purchasing materials; - Levels of stock to be held; - Considerations to be made when purchasing (i.e. whether purchasing more costly LED lights will reduce Operative and overhead costs in the long term); - Any specific brands to be prioritised when purchasing, 	<p>Maintaining a Policy on how equipment and materials are procured, standards required and van stocking etc. will assist management ensure that materials and equipment is purchased and used in line with both service and Council objectives (such as the Sustainable Procurement Strategy).</p> <p>We confirmed that at present, Building Services do not have any contract arrangement with a particular supplier for the provision of materials and equipment. Furthermore, there is no documented policy in place defining how the Service will procure its materials, standards required, stock levels, or how it will stock its vans.</p> <p>Where there is no written policy in place</p>	<p>The proposed direction of travel is to outsource the management of stocks and stores and a suitable point in the future.</p> <p>The need to create some interim policy/procedure or guidance is accepted so that the stocks and stores can be managed in the interim in order to improve our scrutiny and compliance.</p> <p>Deadline - 31st March 2020</p>	No update yet provided	None set yet

<p>considering any historic use of these and the lower cost and time implications in replacing these; and</p> <ul style="list-style-type: none"> - When and/or how the Service will stock vans (i.e. Operatives are only given the supplies to do each job and/or there will be a minimum stock level of certain types of incidentals such as nails, screws or other materials that they keep on each van). <p>Where standards are established, they should be documented and reviewed on an annual basis. Management should then monitor to ensure that standards are met.</p>	<p>determining how materials are purchased etc, there is an increased risk that irregular and/or inadequate purchasing/stocking occurs leading to poor value for money, non-compliance with Council objectives, inefficiencies and possible financial loss.</p>			
<p>The Building Services Team should ensure value for money is sought when purchasing materials.</p>	<p>The Council's Contract Standing Orders requires that where purchases are less than £25,000, it is best practice for a minimum of two written quotes to be obtained.</p> <p>In the absence of a Building Services Procurement Policy or any contract arrangement, we tested 10 recent purchases of materials and noted that, in all cases:</p> <ul style="list-style-type: none"> - The value of the purchase was under £1,000; and - There was no evidence to support value for money was sought in the forms of quotes being obtained. <p>Where quotes are not obtained, there is a risk that Contract Standing Order requirements are not being complied with and that the Council is not achieving value for money.</p>	<p>Agreed - The proposed direction of travel is to outsource the management of stocks and stores and a suitable point in the future. In the interim the intention is to improve our scrutiny and compliance.</p>	<p>No update yet provided</p>	<p>None set yet</p>

Asset Management – (Final Issued March 2020)

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
<p>An Asset Management Plan should be produced and approved by the relevant senior management & Member group of the Councils</p>	<p>An Asset Management Plan helps the Councils ensure that corporate assets are used and maintained in an effective and economic manner.</p> <p>It was established that Adur and Worthing Councils do not have an up-to-date Asset Management Plan. The lack of an Asset Management Plan has been identified as a weakness, and tenders were obtained for the production of a corporate asset strategy in May 2019. However, no work in this area has been carried out to date.</p> <p>The absence of an Asset Management Plan has been identified previous audit reports going back to 2011/12.</p> <p>Where the Councils do not have a comprehensive and up-to date Asset Management Plan, there is a risk that assets may not be effectively managed.</p>	<p>Agreed, an Asset Management Strategy has been drafted and is being presented to Joint Strategic Committee for approval in March.</p> <p>Deadline - 31st March 2020</p>	<p>No update yet provided</p>	<p>None set yet</p>

Corporate Investigations Team (CIT) – Fraud update
(statistical information from 1 April 2019 to 31 March 2020)

Update on work since last report to JGC in January 2020

In 2019/2020, the CIT conducted a full review of all persons currently receiving a 25% single person discount on their Council Tax in the Adur area. CIT verified replies from a total of 6743 households to ascertain whether they should continue to receive the 25% discount. We found 6.45% of all SPDs claimed in Adur were false, which is above the national average of 4% (National Fraud Initiative 2019).

During the period 01/04/2019 to 31/03/2020, CIT have also conducted full investigations on 202 cases of Tenancy Fraud, and pre-investigations on 137 Homeless Assistance applications and 1207 Housing Applications, to ascertain their entitlement to access social housing within the Adur & Worthing areas. Since December the team has reduced to two persons, due to maternity leave.

Detailed below is the recovery/savings achieved by the CIT from their successful investigations since April 2019:

Investigation type	No of successful investigations	* Saving per case £	Recovery/Saving £
Adur SPD exercise	435	** see table details below	138,583.80
Housing – Housing Register	56	3,240*	181,440
Housing – Homeless Assistance Application	6	3,240*	19,440
Housing – Right to Buy	3	82,800*	248,400
Council Tax Reduction	6	Varying Amounts	6,734.46
Council Tax – Adur SPD NFI Matches	148	Varying amounts by CT Band	61,239.40
Council Tax – Worthing SPD NFI	187	Varying amounts by CT Band	51,889.20
			707,726.86

**** Adur SPD breakdown**

Band	Sent for cancelling	Re-Awarded	Total Cancelled	25% discount	Total £138,583.80
A	128	37	91	£313.19	£28,500.29
B	113	4	109	£365.39	£39,827.51
C	147	22	125	£424.30	£53,037.50
D	36	5	31	£469.78	£14,563.18
EFG	11	6	5	Various	£2,655.32

* The figures used in the above calculations are those used in the National Fraud Initiative Report 2018.



Adur District Council

Internal Audit Annual Report 2019/20

May 2020

This report and the work connected therewith are subject to the Terms and Conditions of the Engagement Letter dated 15 March 2018 between Adur District and Worthing Borough Councils (through the London Borough of Croydon's APEX Framework Agreement) and Mazars LLP.

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Status of our reports

This report ("Report") was prepared by Mazars LLP at the request of Adur District and Worthing Borough Councils and terms for the preparation and scope of the Report have been agreed with them.

The Report was prepared solely for the use and benefit of Adur District and Worthing Borough Councils and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

Please refer to the Statement of Responsibility in Appendix 3 of this report for further information about responsibilities, limitations and confidentiality.

Introduction

Purpose of this Report

This report summarises the work that Internal Audit has undertaken and the key control environment themes identified across Adur District Council (the Council) during the 2019/20 financial year, the service for which is provided by Mazars LLP.

The purpose of the Annual Internal Audit Report is to meet the Head of Internal Audit annual reporting requirements set out in the UK Public Sector Internal Audit Standards (PSIAS). The PSIAS requirements are that the report must include:

- An annual Internal Audit opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework (the control environment);
- A summary of the audit work from which the opinion is derived (including reliance placed on the work by other assurance bodies), and
- A statement on conformation with the PSIAS and the results of the Internal Audit quality assurance and improvement programme (QAIP), if applicable.

The report should also include:

- The disclosure of any qualifications to that opinion, together with reasons for the qualification;
- The disclosure of any impairments or restriction in scope;
- A comparison of the work actually undertaken with the work that was planned and a summary of the performance of the Internal Audit function against its performance measures and targets;
- Any issues judged to be particularly relevant to the preparation of the annual governance statement, and
- Progress against any improvement plans resulting from QAIP external assessment.

It should be noted that the Council is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control, which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

Internal Audit Approach

As Internal Audit, our role is to provide an annual assurance statement on the adequacy and effectiveness of the Council's systems of governance, risk management and internal control.

Overview of Work Done

The Audit Plan for 2019/20 (Plan) included a total of 34 internal audit projects when approved by the Joint Governance Committee in March 2019. We have liaised with senior management throughout the year to ensure that Internal Audit work undertaken continues to focus on the high risk areas and, in the light of new and ongoing developments in the Council, help ensure the most appropriate use of our resources.

Through this liaison, changes were agreed to the Plan during the year and as a result, some internal audit projects have been deleted from the Plan and the timing of a number of other audits has been changed. A Housing Allocations audit was added to the Plan and four audits were cancelled (Welfare Reform, Device Security (IT), PCI DSS compliance (IT) and Incident and Problem Management (IT)). The cancellation of IT audits is further explained in the Internal Control – IT Audits Section on page 6. Consequently, the final number of projects for Adur in 2019/20 was 31 compared to 33 in the prior year (Please refer to the Overall Summary). During the final quarter of delivery of the Plan there was the emergence of the Coronavirus pandemic and subsequent impact on the Council as well as lockdown restrictions which impacted on some limited areas of remaining internal audit work in the Plan. However there were no material scope impairments or restrictions on internal audit in 2019/20.

We generally undertake individual internal audit projects with the overall objective of providing the Members, the Chief Executive and other officers with reasonable, but not absolute, assurance as to the adequacy and effectiveness of the key controls over a number of management's objectives. Other audit projects are geared more towards the provision of specific advice and support to management to enhance the economy, efficiency and effectiveness of the services and functions for which they are responsible. We also undertake IT audits, probity audits and anti-fraud work.

All internal audit reports include our recommendations and agreed actions that, if implemented by management, will enhance the control environment and the operation of the key management controls.

Compliance with the PSIAS

During our internal audit work, we practice the principles of the PSIAS. The PSIAS require periodic self-assessment and an assessment by an external person every five years. During 2016/17 Mazars GRIC – Public Services (Local Government Sector) engaged an external company, Gard Consultancy Services, to complete an External Quality Assessment. The review was conducted in October and November 2016 and our work at Adur District Council was covered as part of the sample of clients examined during the review. The outcome of this external assessment is stated within the resulting report as:

“From the evidence reviewed as part of the external quality assessment, no areas of noncompliance with the Public Sector Internal Audit Standards have been identified that would affect the overall scope or operation of the Internal Audit activity, nor any significant areas of partial non-compliance. Three areas of minor partial compliance and one area, which is a new requirement from 2016, have been identified.

On this basis, it is our opinion that Mazars GRIC - Public Services conforms to the requirements of the Public Sector Internal Audit Standards and the Local Government Application Note.

Some practical and pragmatic recommendations to address the minor partial compliance issues and improve overall conformity with the standards have been made”.

Content of report

This report sets out the results of the work performed as follows:

- **Overall summary** of work performed by Internal Audit including an analysis of report gradings; and
- **Key themes identified** during our work in 2019/20.

In this report, we have drawn on the findings and assessments included in all internal audit reports issued in 2019/20, including those that, at this time, remain in draft. It should be noted therefore that the comments made in respect of any draft reports are still subject to management response. Any changes in assurance on draft reports will be taken into account in the Head of Internal Audit Opinion for 2020/21.

Overall Summary

As illustrated in the tables below, and based on the current work completed, we have noted a decrease in audit assurance opinions issued in 2019/20 relative to the prior year. However, it should be noted that the Plan is based on examination of high risk areas and areas highlighted by management as requiring review which may increase the likelihood of limited assurance reports being issued and therefore impact on the assurances given.

During 2019/20, 12 (57.1%) of the internal audit projects which have so far been completed were rated 'Satisfactory assurance' compared with 20 (62.5%) in the prior year and no 'Full assurance' opinions were issued in 2019/20 compared to 2 in 2018/19. We issued no 'No assurance' opinions in 2019/20 or 2018/19 and nine reports (42.9%) have been issued with 'limited assurance' opinions compared with ten (31.25%) in the previous year.

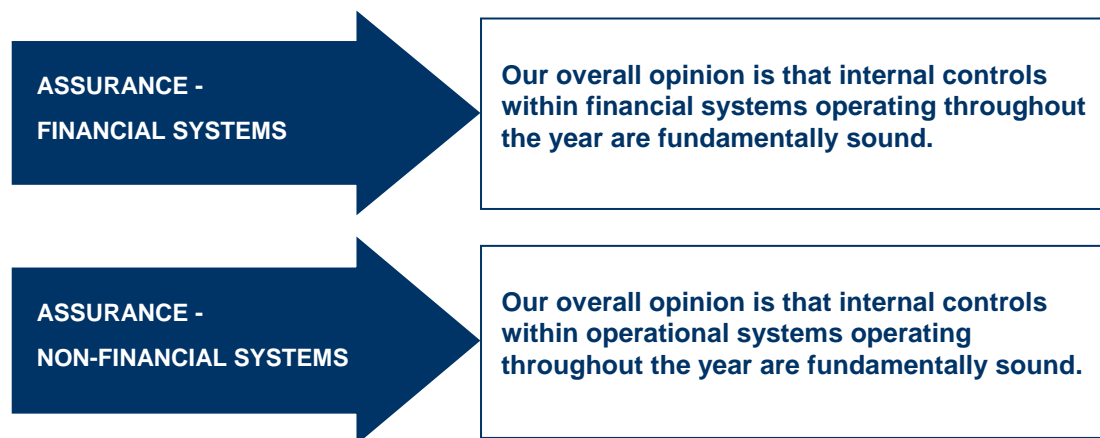
	Number of Projects									
Assurance Gradings	2019/20		2018/19		2017/18		2016/17		2015/16	
Full	0	0%	2	6.25%	0	0%	1	3.6%	0	0%
Satisfactory	12	57.1%	20*	62.5%	18	62.1%	24	85.6%	27	75%
Limited	9	42.9%	10*	31.25%	10	34.5%	2	7.2%	8	22.2%
No	0	0%	0	0%	1	3.4%	1	3.6%	1	2.8%
Sub-Total	21		32		29		28		36	
No Opinion Audits	0		0		1		3		5	
Total Audits Delivered	21		32		30		31		41	
Audits still in progress / Postponed	10									
Total	31		32		30		31		41	

* Revised from 2018/19 Internal Audit Annual Report following issue of final audit reports which were outstanding when the 2018/19 report was produced.

A summary of key findings for all 2019/20 internal audit projects rated as No/Limited is included at Appendix 1.

Opinion 2019/20

From the Internal Audit work undertaken in compliance with the PSIAS in 2019/20, it is our opinion that we can provide **Satisfactory Assurance** that the system of internal control in place at the Council for the year ended 31 March 2020 accords with proper practice, except for the significant control environment issues as documented in Appendix 1. The assurance can be further broken down between financial and non-financial systems, as follows:



Key Themes Identified

As Internal Audit continues to apply a risk based approach, our audit projects assess the governance framework, the risk management process as well as the effectiveness of controls across a number of areas. Our findings on these themes are set out below. Overall, we have noted a decrease in the control environment and whilst further remedial action needs to take place, we have noted that management has already started addressing our most significant findings.

Key Theme

Overall we have identified one key theme arising from our work this year, relating to further control issues being identified from audits conducted in Housing (including procurement and contract management issues).

Corporate Governance

As part of our work this year, we have again completed an evaluation of the governance arrangements in order to assist the Council and the S151 Officer in the preparing the Annual Governance Statement (AGS) for 2019/20.

As in 2018/19, we have concluded that there is reasonable assurance that the Council's governance arrangements are largely compliant with the best practice guidance on corporate governance issued by CIPFA/SOLACE. This opinion is based on:

- The external auditor's Audit Results Report for the year ended 31st March 2019 (dated July 2019 and reported to the Joint Governance Committee meeting 30th July 2019), in which Ernst & Young have concluded that, *'We have reviewed the Annual Governance Statement and can confirm it is consistent with other information from our audit of the financial statements and we have no other matters to report'*, and
- Our audit of the Council's corporate governance arrangements (July 2019) that provided an overall Satisfactory assurance rating.

Risk Management

Based on an internal audit of the Council's risk management framework In March 2020, we have concluded that there is reasonable assurance that the Council's risk management processes are sufficiently formalised and provide information on key risks and issues relating to directorates and the Council as a whole. This opinion is based on:

- Assurance provided by the external auditors, Ernst & Young, in their Audit Results Report 2018/19 (dated July 2019) in which they state that, *"In our opinion, based on the work undertaken in the course of the audit, having regard to the guidance issued by the Comptroller and Auditor General (C&AG) in November 2017, we are satisfied that, in all significant respects, Adur District Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019"*, and
- Our audit of the Council's risk management arrangements (final report issued April 2020) that provided an overall Satisfactory assurance rating.

Internal Control - Key Financial Systems

Each year Internal Audit carries out audits of the Council's key financial systems (KFS) to provide the Council with assurance that key financial controls in the fundamental systems are operating satisfactorily and support a robust control environment.

The table below summarises the assurance gradings from our audits in this key area:

Financial Year	No of Full Assurance Reports	% of Full Assurance Reports	No of Satisfactory Assurance Reports	% of Satisfactory Assurance Reports	No of Limited Assurance Reports	% of Limited Assurance Reports	Audits still in Progress
2017-18	0	0%	10	100%	0	0%	N/A
2018-19	2	20%	8	80%	0	0%	N/A
2019-20	0	0%	2**	50%**	0	0%	2 ^

** the number of KFS audits in the 2019/20 Plan was reduced from 10 in previous years following discussion with the Section 151 Officer. Audits attaining 'Full Assurance' or those with 'Satisfactory Assurance' but few recommendations are now examined bi-annually. The separate audits previously conducted on Revenues and Benefits audits have been combined into one audit and the previously separate Creditor and Debtor audits have been combined into one 'Exchequer' audit. The number of KFS audits in the 2019-20 Plan was therefore 4 (covering 6 previously audited areas).

^ these are the General Ledger and Exchequer audits which were in progress when the Covid-19 crisis emerged, completion has been delayed as a result of this and the Finance Team's involvement in year-end and Statement of Accounts work. Progression of the audits is due to commence this month (May 2020).

The control environment around key financial systems during 2019/20 remains satisfactory.

We have also noted the External Auditor's Audit Results Report 2018/19 (dated July 2019), in which Ernst & Young state that, *'It is the responsibility of the Council to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Council has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.'*

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we have adopted a fully substantive approach, we have therefore not tested the operation of controls. Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control.

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware'.

Internal Control - IT Audits

Each year Internal Audit carries out audits of specific IT systems/areas. During 2018-19 we completed, with management assistance, an ICT Audit Needs Assessment in order to form a plan of IT audits for a three year period which focussed on areas of greatest need or risk. The IT audits to be conducted as part of the 2018-19 plan were not decided until late in the year and this impacted on audit completion. As at production of the 2018-19 Annual Internal Audit Report, one audit had been completed. The other two audits have since been completed and all three were given Limited assurance.

The completion of 2018/19 audits during the 2019/20 year, and resource/auditee availability constraints impacted on the completion of the five proposed IT audits in the 2019/20 Plan. Two IT audits have been completed and both were given Limited assurance. The ICT Needs Assessment was revised in February 2020 and agreement made that the remaining three audits would be conducted in quarter 1 of the 2020/21 year. Unfortunately the Covid-19 outbreak has impacted on when these audits were due to be undertaken and following discussions with the Council's Section 151 Officer regarding internal audit work in 2020/21 post the Covid-19 pandemic, it has been decided to cancel these audits from the Plan and to revise the IT audit work planned for 2020/21.

Performance of Internal Audit

At the start of the contract, a number of performance indicators were formulated to monitor the delivery of the Internal Audit service to the Council. The table below shows the actual and targets for each indicator for the period:

Performance Measure	Target	Actual
Percentage of Internal Audit plan completed	100%	75.9%
Number of draft audit reports/work items complete	31	21**

** Of the ten work items to be completed, five are in progress, one is under review and four are yet to be started. These items of audit work will be summarised in our quarterly reports to the Joint Governance Committee when the final reports are issued. The results will be updated in our Annual Internal Audit Report for 2020/21.

Appendix 1 - Audit Projects with Limited or No Assurance 2019/20

Project	Grading	Summary of Key Findings
HR Data Input & Accuracy	Limited	<p>Eleven recommendations were raised (two Priority 1, eight Priority 2 and one Priority 3). The Priority 1 recommendations were raised to address the need for:</p> <ul style="list-style-type: none"> Establishing a means whereby the data entered into Mats can be automatically fed into the Councils' payroll system in order to stop the duplication of data entry into the two separate system, or purchasing of an integrated HR/payroll system; and Regular spot checks on a sample of starters and leaver information input to Mats against the primary documentation used to input it. <p>Priority 2 recommendations raised related to:-</p> <ul style="list-style-type: none"> Developing documented procedures; HR staff completing mandatory e-learning courses; Attaching resignation letters to the Mats system; Requiring managers to fully complete the starter form and other starter information within Mats; Completion of starter and leaver checklists; Completion and "sign-off" of the right to work document within Mats for all new starters and the sending of medical forms and continuous service check letters; Ensuring all required starter and leaver forms are completed and provided to Payroll and Introducing a means for monitoring the HR SLA timings in order that targets can be monitored on a regular basis and monitoring reports are produced.
Rent in Advance	Limited	<p>Twelve recommendations were raised (one Priority 1, ten Priority 2 and one Priority 3). The Priority 1 recommendation related to:</p> <ul style="list-style-type: none"> The need for review of all forms used in the rent in advance/deposit guarantee (RiA/RG) process to collect the personal data of the client (and/or their family members) and a relevant privacy notice to be added. <p>Priority 2 recommendations related to:</p> <ul style="list-style-type: none"> Documenting the Council's discretionary RiA/RG scheme within a policy; Reviewing the RiA/DG process and updating the documented procedures; Completion of and manager sign off of the 'In Principle Financial Assistance

Project	Grading	Summary of Key Findings
		<p>Approval' form;</p> <ul style="list-style-type: none"> • Completion of fraud checks for every applicant • Completion of debt checks; • Generating a vulnerability and suitability form and personal housing Plan for each applicant for RiA/DG; • introducing a checklist to detail all required processes during the RiA/DG application process; • Creating an invoice for each loan granted; • Undertaking debt recovery actions in respect of all outstanding RiA/DG debts; and • Setting, monitoring and reporting of performance targets.
Planning Enforcement	Limited	<p>Nine recommendations were raised (eight Priority 2 and one Priority 3). No Priority 1 recommendations were raised. The Priority 2 recommendations raised related to:-</p> <ul style="list-style-type: none"> • Review and update of the enforcement policy; • Creating documented procedures; • Saving complaint responses on the Information@Works (I@W) system; • Logging all relevant information on client files within I@W; • Recording the Planning Services Manager's approval for each enforcement notice within the notice and retaining the notice within I@W; • Reminding officers to log the finalised notice on to I@W to allow relevant staff access to the latest version of the notice; • Ensure that land registry forms are filed on each relevant case within I@W; and • Setting and monitoring of key performance indicators (KPIs).
Compliance with the Data Protection Act (DPA) 2018 & General Data Protection Regulations (GDPR)	Limited	<p>Six recommendations were raised (three Priority 1 and three Priority 2). The Priority 1 recommendations related to:</p> <ul style="list-style-type: none"> • The need for GDPR/DPA Leads to maintain and link their registers of processing activities (RoPAs) to the central catalogue of RoPAs; • The need to GDPR/DPA Leads to ensure that application forms used by their service areas refer to the relevant privacy notice and the DPA 2018; and • Service areas taking continued action to ensure that expired data is identified and deleted automatically. <p>The Priority 2 recommendations related to:</p> <ul style="list-style-type: none"> • The need for the Senior Information Governance Officer (SIGO) to monitor staff completion of the mandatory training;

Project	Grading	Summary of Key Findings
		<ul style="list-style-type: none"> The SIGO carrying out regular 'health checks' within service areas on compliance with the Councils' data protection policies and procedures; and The expansion of data presented to the Technology Information Board (TIB) on a quarterly basis.
Management of Community Buildings (draft)	Limited	<p>Eight recommendations were raised (four Priority 1 and four Priority 2). The Priority 1 recommendations were raised to address the need for:</p> <ul style="list-style-type: none"> A policy (or a set of policies) that sets out the Council's goals and objectives for the use of and management of community buildings; Ensuring lease/tenancy agreements are maintained in a centralised location/storage area which all relevant teams have access to; Developing a programme for the active monitoring and managing contract/lease renewals, and Defining, monitoring and reporting on outcomes/outputs for each community centre/area. <p>The Priority 2 recommendations related to:</p> <ul style="list-style-type: none"> Roles and responsibilities in respect of management of community buildings/areas to be defined and communicated to the relevant Council teams; Development of documented procedures; Holding regular structured meetings with the community centre management companies and community companies who are contracted to use other Council buildings to review how they are managing centres/areas in line with their lease/contract requirements, and The need for regular meetings between the Communities, Estates and Legal teams to discuss issues in relation to the lessees/tenants and their management of community centres/areas.
Building Maintenance Compliance – non housing (draft)	Limited	<p>Ten recommendations were raised (five Priority 1 and five Priority 2). The Priority 1 recommendations were raised to address the need for:</p> <ul style="list-style-type: none"> Policies which define how the Council will ensure compliance with regulations and corporate objectives in respect of Gas and Electrical safety; Defining and communicating roles and responsibilities in respect of ensuring regulatory compliance for Council buildings and the development of a central record of Council buildings whereby responsibilities and compliance information is recorded; The Councils' Estates Team to check, where regulatory checks are required, and confirm with the tenants in Council owned buildings that all required checks

Project	Grading	Summary of Key Findings
		<p>have been performed;</p> <ul style="list-style-type: none"> • Regular contract monitoring meetings with those contractors who perform regulatory compliance checks on behalf of the Councils, and • The prioritisation and timely completion of recommendations raised by Contractors during their inspections and/or maintenance visits. <p>The Priority 2 recommendations related to:</p> <ul style="list-style-type: none"> • Finalising and approval of the draft Water Hygiene & Legionella Policy; • The need to develop documented procedures; • The identification of the training needs of specific key staff and defining those within policies; • Performing spot checks on the gas safety operatives' certifications, and • Regular reports on the Councils building maintenance inspections etc. to be presented to the H&S Board so that it can obtain assurance that the Council are complying with regulatory requirements and where necessary follow up on any areas of non-compliance.
Account Security (draft)	Limited	<p>Six Priority 2 recommendations have been raised in respect of:</p> <ul style="list-style-type: none"> • ICT and Management assigning accountability and responsibility for security to an individual or individuals of the Council's key high-risk applications; • Providing security awareness training to all staff on induction and communicating security updates at regular intervals; • Updating ICT security policies, aligning Gmail password parameters to NCSC Guidance to Password Best Practice and consider using, the NCSC Guidance to Password Best Practice, to align all other password parameters and include within the Access Control Policy; • Monitoring user activity, particularly on access to sensitive information and the use of privileged account actions. • Ensuring that monitoring systems are tuned appropriately to only collect events and generate alerts that are relevant to needs, and • Develop and implement a monitoring strategy based on business need and an assessment of risk.
Regulatory Compliance -housing – (draft)	Limited	<p>Eight recommendations were raised (two Priority 1 and six Priority 2). The Priority 1 recommendations were raised to address the need for:</p> <ul style="list-style-type: none"> • Reviewing when last Asbestos risk assessments were undertaken and urgently completing any that have not been undertaken in the last 12 months;

Project	Grading	Summary of Key Findings
		<ul style="list-style-type: none"> Monitoring and recording the outcomes of inspections and/or maintenance visits to ensure any rectification needed is planned and completed in a timely manner. <p>The Priority 2 recommendations related to:</p> <ul style="list-style-type: none"> Ensuring that all and every single housing property is included in the different regulatory compliance schedules and timetables developed to ensure compliance with the various legislative requirements; Retaining all regulatory documents in a central location; Use of the Mats Compliance App or acquisition of an Asset Management system that allows for the streamlined monitoring of compliance; Review and update of the Electrical Testing spreadsheet; Developing a monitoring record for ensuring lifts are maintained/inspected according to the requirements of the Lifting Operations and Lifting Equipment Regulations 1998; and Expanding the compliance reports produced for the Health & Safety Board and providing more detailed information to senior management.
Housing Reduction Act Compliance (draft)	Limited	<p>Five recommendations were raised (three Priority 2 and two Priority 3). No Priority 1 recommendations were raised. The Priority 2 recommendations raised related to:-</p> <ul style="list-style-type: none"> The completion, review and retention of personal housing plans (PHPs) Ending relief duty within the 56 day target. Agreeing KPIs and implementing monitoring and reporting systems for these.

Appendix 2 - Key to Assurance Levels

Assurance Gradings

We have four categories by which we classify internal audit assurance over the processes we examine, and these are defined as follows:

Assurance Level	Evaluating and Testing Conclusion
Full	There is a sound system of internal control designed to achieve the Council's objectives The control processes tested are being consistently applied.
Satisfactory	While there is a basically sound system of internal control, there are weaknesses, which put some of the Council's objectives at risk. There is evidence that the level of non-compliance with some of the control processes may put some of the Council's objectives at risk.
Limited	Weaknesses in the system of internal controls are such as to put the Council's objectives at risk. The level of non-compliance puts the Council's objectives at risk.
No	Control processes are generally weak leaving the processes/systems open to significant error or abuse. Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse.

Appendix 3 - Statement of Responsibility

We take responsibility to Adur District and Worthing Borough Councils for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

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Worthing Borough Council

Internal Audit Annual Report 2019/20

May 2020

This report and the work connected therewith are subject to the Terms and Conditions of the Engagement Letter dated 15 March 2018 between Adur District and Worthing Borough Councils (through the London Borough of Croydon's APEX Framework Agreement) and Mazars LLP.

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Status of our reports

This report ("Report") was prepared by Mazars LLP at the request of Adur District and Worthing Borough Councils and terms for the preparation and scope of the Report have been agreed with them.

The Report was prepared solely for the use and benefit of Adur District and Worthing Borough Councils and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

Please refer to the Statement of Responsibility in Appendix 3 of this report for further information about responsibilities, limitations and confidentiality.

Introduction

Purpose of this Report

This report summarises the work that Internal Audit has undertaken and the key control environment themes identified across Worthing Borough Council (the Council) during the 2019/20 financial year, the service for which is provided by Mazars LLP.

The purpose of the Annual Internal Audit Report is to meet the Head of Internal Audit annual reporting requirements set out in the UK Public Sector Internal Audit Standards (PSIAs). The PSIAs requirements are that the report must include:

- An annual internal audit opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework (the control environment);
- A summary of the audit work from, which the opinion is derived (including reliance placed on the work by other assurance bodies); and
- A statement on conformation with the PSIAs and the results of the internal audit quality assurance and improvement programme (QAIP), if applicable.

The report should also include:

- The disclosure of any qualifications to that opinion, together with reasons for the qualification;
- The disclosure of any impairments or restriction in scope;
- A comparison of the work actually undertaken with the work that was planned and a summary of the performance of the internal audit function against its performance measures and targets;
- Any issues judged to be particularly relevant to the preparation of the annual governance statement; and
- Progress against any improvement plans resulting from QAIP external assessment.

It should be noted that the Council is responsible for ensuring its' business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control, which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

Internal Audit Approach

As Internal Audit, our role is to provide an annual assurance statement on the adequacy and effectiveness of the Council's systems of governance, risk management and internal control.

Overview of Work Done

The Audit Plan for 2019/20 (Plan) included a total of 31 internal audit projects when approved by the Joint Governance Committee in March 2019. We have liaised with senior management throughout the year to ensure that internal audit work undertaken continues to focus on the high risk areas and, in the light of new and ongoing developments in the Council, help ensure the most appropriate use of our resources.

As a result of this liaison, changes were agreed to the Plan during the year. Some internal audit projects have been added to or deleted from the Plan, and the timing of a number of others has been changed. Four audits were cancelled (Welfare Reform, Device Security (IT), PCI DSS compliance (IT) and Incident and Problem Management (IT)). The cancellation of IT audits is further explained in the Internal Control – IT Audits Section on page 6. Consequently, the final number of projects for Worthing in 2019/20 was 27 compared to 29 in the prior year (please refer to the Overall Summary). During the final quarter of delivery of the Plan there was the emergence of the Coronavirus pandemic and subsequent impact on the Council as well as lockdown restrictions which impacted on some limited areas of remaining internal audit work in the Plan. However there were no material scope impairments or restrictions in on internal audit in 2019/20.

We generally undertake individual internal audit projects with the overall objective of providing the Members, the Chief Executive and other officers with reasonable, but not absolute, assurance as to the adequacy and effectiveness of the key controls over a number of management's objectives. Other audit projects are geared more towards the provision of specific advice and support to management to enhance the economy, efficiency and effectiveness of the services and functions for which they are responsible. We also undertake IT audits, probity audits and anti-fraud work.

All internal audit reports include our recommendations and agreed actions that, if implemented by management, will enhance the control environment and the operation of the key management controls.

Compliance with the PSIAS

During our internal audit work, we practice the principles of the PSIAS. The PSIAS require periodic self-assessment and an assessment by an external person every five years. During 2016/17 Mazars GRIC – Public Services (Local Government Sector) engaged an external company, Gard Consultancy Services, to complete an External Quality Assessment. The review was conducted in October and November 2016 and our work at Adur District Council was covered as part of the sample of clients examined during the review. The outcome of this external assessment is stated within the resulting report as:

“From the evidence reviewed as part of the external quality assessment, no areas of noncompliance with the Public Sector Internal Audit Standards have been identified that would affect the overall scope or operation of the Internal Audit activity, nor any significant areas of partial non-compliance. Three areas of minor partial compliance and one area, which is a new requirement from 2016, have been identified.

On this basis, it is our opinion that Mazars GRIC - Public Services conforms to the requirements of the Public Sector Internal Audit Standards and the Local Government Application Note.

Some practical and pragmatic recommendations to address the minor partial compliance issues and improve overall conformity with the standards have been made.

Content of this report

This report sets out the results of the work performed as follows:

- **Overall summary** of work performed by Internal Audit including an analysis of report gradings; and

- **Key themes identified** during our work in 2019/20.

In this report, we have drawn on the findings and assessments included in all internal audit reports issued in 2019/20, including those that, at this time, remain in draft. It should be noted therefore that the comments made in respect of any draft reports are still subject to management response. Any changes in assurance on draft reports will be taken into account in the Head of Internal Audit Opinion for 2019/20.

Overall Summary

As illustrated in the tables below, we have noted a decrease in audit assurance opinions issued in 2019/20 relative to the prior year. However, it should be noted that the Plan is based on examination of high risk areas and areas highlighted by management as requiring review which therefore may increase the likelihood of limited assurance reports being issued.

During the 2019/20 year, 11 (61.1%) of the internal audit projects were rated 'Satisfactory assurance' compared with 20 (69%) in the prior year and no 'Full assurance' opinions were issued in 2019/20 compared to 3 in 2018/19. We are pleased to report that we have not issued any 'No assurance' opinions in 2019/20, while we issued seven (38.9%) reports with 'limited assurance' opinions compared with six (20.7%) in the previous year.

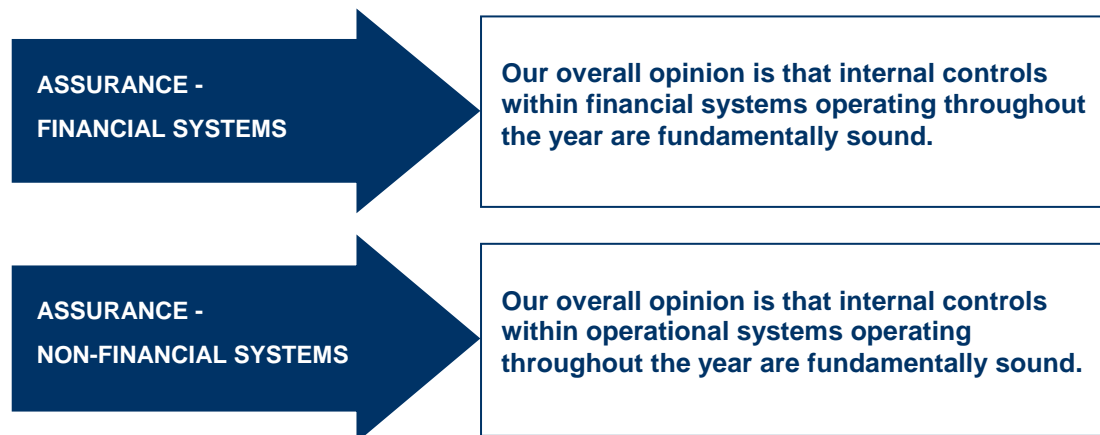
Assurance Gradings	Number of Projects									
	2019/20		2018/19		2017/18		2016/17		2015/16	
Full	0	0%	3	10.3%	0	0%	1	3.7%	0	0%
Satisfactory	11	61.1%	20*	69%	17	73.9%	23	85.2%	27	79.4%
Limited	7	38.9%	6*	20.7%	6	26.1%	3	11.1%	7	20.6%
No	0	0%	0	0%	0	0%	0	0%	0	0%
Sub-Total	18		29		23		27		34	
No Opinion Audits	0		0		1		2		5	
Total Audits Delivered	18		29		24		29		39	
Audits still in progress / Deferred	9									
Total	27		29		24		29		39	

* Revised from 2018/19 Internal Audit Annual Report following issue of audit reports which were outstanding when the 2018/19 report was produced.

A summary of key findings for all 2019/20 Internal Audit projects rated as 'Limited assurance' is included at Appendix 1.

Opinion 2019/20

From the Internal Audit work undertaken in compliance with the PSIAS in 2019/20, it is our opinion that we can provide **Satisfactory Assurance** that the system of internal control in place at the Council for the year ended 31 March 2020 accords with proper practice, except for the significant control environment issues as documented in Appendix 1. The assurance can be further broken down between financial and non-financial systems, as follows:



Key Themes Identified

As Internal Audit continues to apply a risk based approach and our audit projects assess the governance framework, the risk management process as well as the effectiveness of controls across a number of areas. Our findings on these themes are set out below. Overall, we have noted a decrease in the control environment and, whilst further remedial action needs to take place, we have noted that management has already started addressing our most significant findings.

Corporate Governance

As part of our work this year, we have again completed an evaluation of the governance arrangements in order to assist the Council and the S151 Officer in preparing the Annual Governance Statement (AGS) for 2019/20.

As in 2018/19, we have concluded that there is reasonable assurance that the Council's governance arrangements are largely compliant with the best practice guidance on corporate governance issued by CIPFA/SOLACE. This opinion is based on:

- The external auditor's Audit Results Report for the year ended 31st March 2019 (dated July 2019 and present to the Joint Governance Committee (JGC) on 30th July 2019, in which Ernst & Young have concluded that '*We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Council. We have no matters to report as a result of this work*', and
- Our audit of the Council's corporate governance arrangements (July 2019), which provided an overall Satisfactory assurance rating.

Risk Management

We have concluded that there is reasonable assurance that the Council's risk management processes are sufficiently formalised and provide information on key risks and issues relating to directorates and the Council as a whole. This opinion is based on:

- Assurance provided by the external auditors, Ernst & Young, in their Audit Results Report 2018/19 (July 2019) in which they state, *'In our opinion, based on the work undertaken in the course of the audit, having regard to the guidance issued by the Comptroller and Auditor General (C&AG) in November 2017, we are satisfied that, in all significant respects, Worthing Borough Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019'*, and
- Our audit of the Council's risk management arrangements (March 2020), which provided an overall Satisfactory assurance rating.

Internal Control - Key Financial Systems

Each year Internal Audit carries out audits of the Council's key financial systems to provide the Council with assurance that key financial controls in the fundamental systems are operating satisfactorily and support a robust control environment.

The table below summarises the assurance gradings from our audits in this key area:

Financial Year	No of Full Assurance Reports	% of Full Assurance Reports	No of Satisfactory Assurance Reports	% of Satisfactory Assurance Reports	No of Limited Assurance Reports	% of Limited Assurance Reports	Audits still in Progress
2017-18	0	0%	9	100%	0	0%	N/A
2018-19	2	22.2%	7	77.8%	0		N/A
2019-20	0	0%	2**	50%	0	0%	2^

** the number of KFS audits in the 2019/20 Plan was reduced from 10 in previous years following discussion with the Section 151 Officer. Audits attaining 'Full Assurance' or those with 'Satisfactory Assurance' but with few recommendations are now examined bi-annually. The separate audits previously conducted on Revenues & Benefits audits have been combined into one audit and the previously separate Creditor and Debtor audits have been combined into one 'Exchequer' audit. The number of KFS audits in the 2019-20 Plan was therefore 4 (covering 6 previously audited areas).

^ these are the General Ledger and Exchequer audits which were in progress when the Covid-19 crisis emerged, completion has been delayed as a result of this and the Finance Team's involvement in year-end and Statement of Accounts work. Progression of the audits is due to commence this month (May 2020).

The control environment around key financial systems during 2019/20 remains satisfactory.

We have also noted the External Auditor's Audit Results Report 2018/19 (July 2019), in which Ernst & Young states that, *'It is the responsibility of the Council to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in*

practice. Our responsibility as your auditor is to consider whether the Council has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we have adopted a fully substantive approach, we have therefore not tested the operation of controls. Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control.

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware’.

Internal Control– IT Audits

Each year Internal Audit carries out audits of specific IT systems/areas. During 2018-19 we completed, with management assistance, an ICT Audit Needs Assessment in order to form a plan of IT audits for a 3 year period which focussed on areas of greatest need or risk. The IT audits to be conducted as part of the 2018-19 plan were therefore not decided until late in the year and this impacted on audit completion. As at production of the 2018-19 Annual Internal Audit Report, one audit had been completed. The other two audits have since been completed and all 3 were each given a Limited assurance.

The completion of 2018/19 audits during the 2019/20 year and resource/auditee availability constraints impacted on the completion of the five proposed IT audits in the 2019/20 plan. Two IT audits have been completed and both were given Limited assurance. The ICT Needs Assessment was revised in February 2020 and agreement made that the remaining three audits would be conducted in quarter 1 of the 2020/21 year. Unfortunately the Covid-19 outbreak has impacted on when these audits were due to be undertaken and following discussions with the Council’s Section 151 Officer regarding internal audit work in 2020/21 post the Covid-19 pandemic, it has been decided to cancel these audits and revise the IT audit work planned for 2020/21.

Key Themes

Overall we have not identified any specific themes arising from our work this year.

Performance of Internal Audit

At the start of the contract, a number of performance indicators were formulated to monitor the delivery of the Internal Audit service to the Council. The table below shows the actual and targets for each indicator for the period:

Performance Measure	Target	Actual
Percentage of Internal Audit plan completed	100%	75.9%
Number of draft audit reports/work items complete	27	18**

** The nine audits still to be completed include five that are in progress, one which is under review and three that are yet to be started. The findings of these audits will be summarised in our quarterly reports to the JGC when the final reports are issued and the results updated in our Annual Internal Audit Report for 2020/21.

Appendix 1 - Audit Projects with Limited or No Assurance 2019/20

Project	Grading	Summary of Key Findings
HR Data Input & Accuracy	Limited	<p>Eleven recommendations were raised (two Priority 1, eight Priority 2 and one Priority 3). The Priority 1 recommendations were raised to address the need for:</p> <ul style="list-style-type: none"> Establishing a means whereby the data entered into Mats can be automatically fed into the Councils' Payroll system in order to stop the duplication of data entry into the two separate system, or purchasing of an integrated HR/Payroll system; and Regular spot checks on a sample of starters and leaver information input to Mats against the primary documentation used to input it. <p>Priority 2 recommendations raised related to:-</p> <ul style="list-style-type: none"> Developing documented procedures; HR staff completing mandatory e-learning courses; Attaching resignation letters to the Mats system; Requiring Managers to fully complete the starter form and other starter information within Mats; Completion of starter and leaver checklists; Completion and 'sign-off' of the Right to Work document within Mats for all new starters and the sending of medical forms and continuous service check letters; Ensuring all required starter and leaver forms are completed and provided to Payroll; and Introducing a means for monitoring the HR SLA timings in order that targets can be monitored on a regular basis and monitoring reports are produced.
Planning Enforcement	Limited	<p>Nine recommendations were raised (eight Priority 2 and one Priority 3). No Priority 1 recommendations were raised. The Priority 2 recommendations raised related to:-</p> <ul style="list-style-type: none"> Review and update of the Enforcement Policy; Creating documented procedures; Saving complaint responses on the Information@Works (I@W) system; Logging all relevant information on client files within I@W; Recording the Planning Services Manager's approval for each enforcement notice within the notice and retaining the notice within I@W; Reminding officers to log the finalised notice on to I@W to allow relevant staff

Project	Grading	Summary of Key Findings
		<p>access to the latest version of the notice;</p> <ul style="list-style-type: none"> • Ensure that Land Registry forms are filed on each relevant case within I@W; and • Setting and monitoring of key performance indicators (KPIs).
Compliance with the Data Protection Act (DPA) (2018) & General Data Protection Regulations (GDPR)	Limited	<p>Six recommendations were raised (three Priority 1 and three Priority 2). The Priority 1 recommendations related to:</p> <ul style="list-style-type: none"> • The need for GDPR/DPA Leads to maintain and link their registers of processing activities (RoPAs) to the central catalogue of RoPAs; • The need to GDPR/DPA Leads to ensure that application forms used by their service areas refer to the relevant privacy notice and the DPA 2018; and • Service areas taking continued action to ensure that expired data is identified and deleted automatically. <p>The Priority 2 recommendations related to:</p> <ul style="list-style-type: none"> • The need for the Senior Information Governance Officer (SIGO) to monitor staff completion of the mandatory training; • The SIGO carrying out regular 'health checks' within service areas on compliance with the Councils' data protection policies and procedures; and • The expansion of data presented to the Technology Information Board (TIB) on a quarterly basis.
Management of Community Buildings (draft)	Limited	<p>Eight recommendations were raised (four Priority 1 and four Priority 2). The Priority 1 recommendations were raised to address the need for:</p> <ul style="list-style-type: none"> • A policy (or a set of policies) that sets out the Councils goals and objectives for the use of and management of community buildings; • Ensuring lease/tenancy agreements are maintained in a centralised location/storage area which all relevant teams have access to; • Developing a programme for the active monitoring and managing contract/lease renewals; and • Defining, monitoring and reporting on outcomes/outputs for each Community Centre/area. <p>The Priority 2 recommendations related to:</p> <ul style="list-style-type: none"> • Roles and responsibilities in respect of management of community buildings/areas to be defined and communicated to the relevant Council teams; • Development of documented procedures; • Holding regular structured meetings with the community centre management

Project	Grading	Summary of Key Findings
		<p>companies and community companies who are contracted to use other Council buildings to review how they are managing centres/areas in line with their lease/contract requirements; and</p> <ul style="list-style-type: none"> The need for regular meetings between the Communities, Estates and Legal teams to discuss issues in relation to the lessees/tenants and their management of community centres/areas.
Building Maintenance Compliance – non housing (draft)	Limited	<p>Ten recommendations were raised (five Priority 1 and five Priority 2). The Priority 1 recommendations were raised to address the need for:</p> <ul style="list-style-type: none"> Policies which define how the Council will ensure compliance with regulations and corporate objectives in respect of gas and electrical safety; Defining and communicating roles and responsibilities in respect of ensuring regulatory compliance for Council buildings and the development of a central record of Council buildings whereby responsibilities and compliance information is recorded; The Councils' Estates Team to check, where regulatory checks are required, and confirm with the tenants in Council owned buildings that all required checks have been performed; Regular contract monitoring meetings with those contractors who perform regulatory compliance checks on behalf of the Council; and The prioritisation and timely completion of recommendations raised by Contractors during their inspections and/or maintenance visits. <p>The Priority 2 recommendations related to:</p> <ul style="list-style-type: none"> Finalising and approval of the draft Water Hygiene & Legionella Policy; The need to develop documented procedures; The identification of the training needs of specific key staff and defining those within policies; Performing spot checks on the gas safety operatives' certifications; and Regular reports on the Councils building maintenance inspections etc. to be presented to the H&S Board so that it can obtain assurance that the Council are complying with regulatory requirements and where necessary follow up on any areas of non-compliance.
Account Security (draft)	Limited	<p>Six Priority 2 recommendations have been raised in respect of:</p> <ul style="list-style-type: none"> ICT and Management assigning accountability and responsibility for security to an individual or individuals for each of the Councils' key high-risk applications;

Project	Grading	Summary of Key Findings
		<ul style="list-style-type: none"> • Providing security awareness training to all staff on induction and communicating security updates at regular intervals; • Updating ICT security policies, aligning Gmail password parameters to NCSC Guidance to Password Best Practice and consider using, the NCSC Guidance to Password Best Practice, to align all other password parameters and include within the Access Control Policy; • Monitoring user activity, particularly on access to sensitive information and the use of privileged account actions; • Ensuring that monitoring systems are tuned appropriately to only collect events and generate alerts that are relevant to needs; and • Develop and implement a monitoring strategy based on business need and an assessment of risk.
Housing Reduction Act Compliance (draft)	Limited	<p>Five recommendations were raised (three Priority 2 and two Priority 3). The Priority 2 recommendations raised related to:-</p> <ul style="list-style-type: none"> • The completion, review and retention of personal housing plans (PHPs); • Ending relief duty within the 56 day target; and • Agreeing KPIs and implementing monitoring and reporting systems for them.

Appendix 2 - Key to Assurance Levels

Assurance Gradings

We have four categories by which we classify internal audit assurance over the processes we examine, and these are defined as follows:

Assurance Level	Evaluating and Testing Conclusion
Full	There is a sound system of internal control designed to achieve the Council's objectives The control processes tested are being consistently applied.
Satisfactory	While there is a basically sound system of internal control, there are weaknesses, which put some of the Council's objectives at risk. There is evidence that the level of non-compliance with some of the control processes may put some of the Council's objectives at risk.
Limited	Weaknesses in the system of internal controls are such as to put the Council's objectives at risk. The level of non-compliance puts the Council's objectives at risk.
No	Control processes are generally weak leaving the processes/systems open to significant error or abuse. Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse.

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We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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ADUR & WORTHING
COUNCILS

Joint Governance Committee
28 May 2020
Agenda Item 7

Key Decision: No

Ward(s) Affected: N/A

2020/21 REVISED INTERNAL AUDIT PLAN

REPORT BY THE ACTING HEAD OF INTERNAL AUDIT

Executive Summary

1. Purpose

- 1.1 This report Asks Members to consider and approve the revised 2020/21 Internal Audit Plan.

2. Recommendations

2.1 Recommendation One

That the Committee consider whether there are any specific audits which they would like to see added to the proposed plan.

2.2 Recommendation Two

That the 2020/21 Audit Plan be approved.

3. Context

3.1 Background

The proposed 2020/21 Audit Plan was due to be presented to the Committee at its meeting on 24th March 2020, but due to the emerging situation regarding the Coronavirus pandemic the meeting was cancelled.

Following on from the Government's lockdown measures, the Councils' need to focus on the provision of services and support to their communities and businesses, internal audit work has, in the main, been postponed. No audits are being conducted in quarter 1 and a revised plan has been developed which re-focusses on current risks for the Councils.

4. Issues for Consideration

- 4.1 The revised 2020/21 Internal Audit Plan, attached as **Appendix A**, consists of 27 audits and 485 days of work allocated as summarised below:

Category of Work	Type of Work	Number of Days
Audits of High Risk areas	System audits, annual testing of key financial and governance systems	245
Audits of High Risk areas	Cross service audits	40
Audits of Medium Risk areas	System audits	0
Audits of Low Risk areas	System audits	0
ICT Audits	Specialist ICT related audits and Application Reviews	60
Contract Audits	Specialist reviews & Contract examination	36
NFI	Co-ordination & investigation of matches	20
Follow Up	Follow up to confirm implementation of agreed audit recommendations	20
Other	Management & Contingency	64
Total Days in Plan		485

- 4.2 An ongoing system of monitoring the progress of audit work against the plan is in place. Monthly progress is reported to the Chief Financial Officer and quarterly reports on progress are presented to this Committee. In accordance with the Terms of Reference, other reports may be presented to the Committee as necessary during the year.
- 4.3 The Committee is also asked to consider whether there are any specific areas of interest, which they would like to see covered in the revised 2020/21 Audit Plan.

5. Engagement and Communication

- 5.1** Discussions have been held with the Council's Chief Financial Officer, regarding the 20/21 Plan's coverage which has been revised to reflect specific Covid-19 related audits.

6. Financial Implications

- 6.1** This plan is based on a reduced number of days the proposed 2020/21 plan reported to the Committee on 24th March 2020.

7. Legal Implications

- 7.1** There are no legal matters arising as a result of this report.

Background Papers

None

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Sustainability & Risk Assessment

1. Economic

Matter considered and no issues identified.

2. Social

2.1 Social Value

Matter considered and no issues identified.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified.

4. Governance

The report does not seek to meet any particular Council priority.

	AUDIT RISK RATING	INDICATIVE DAYS	Q1	Q2	Q3	Q4	COMMENTS ON CHANGES FROM ORIGINAL PLAN
ECONOMY			APR-JUN	JUL-SEP	OCT-DEC	JAN-MAR	
Planning & Development							
Building Control	H	10			10		
Street Naming & Numbering	L						5 day audit removed from plan
Place & Economy							
Markets	H	15				15	audit moved to Q4
Major Projects & Investment							
Governance of Property Purchases & Disposals	H	15		15			
Business & Technical Services							
Out of Hours Service	H	10				10	
COMMUNITIES							
Environmental Services							
Review of Procurement arrangements	H	15		15			
Stores	M	10				10	
Housing Services							
Leaseholder Services	H	15			15		
Housing Rents	H	10		10			
Disabled Facilities Grants	H	10				10	
Wellbeing							
None							
DIGITAL & RESOURCES							
Risk Management	H	10				10	
Customer & Digital							
Elections	H	15			15		
Revenues & Benefits							
Revenues & Benefits	H						30 day audit removed - key controls to be covered in new key controls compliance audit
Financial Services							
General Ledger	H						10 day audit removed - key controls to be covered in new key controls compliance audit
Exchequer (Creditors & Debtors)	H						20 day audit removed - key controls to be covered in new key controls compliance audit
Payroll - full audit of new system	H	15				15	
Budget Monitoring	H	10			10		
Capital	M						8 day audit removed from plan
Treasury Management	M						8 day audit removed from plan
Key controls compliance	H	30		10	10	10	New continuous compliance audit to focus on key financial controls
Legal Services							
Corporate Governance	H						audit removed from plan
Human Resources							
None							
COVID-19 AUDITS							
Governance	H	20		20			New audit
Food Depot	H	10		10			New audit
Community Grants	H	10			10		New audit
Revs & Bens additional discounts	H	15			15		New audit
COMPUTER AUDITS							
Email archiving, exchange & Google	H	15				15	
Network Infrastructure security	H	15				15	
Cyber Security	H	15			15		
Cloud Computing Security	H	15			15		
CONTRACT AUDITS							
Theatres Contract Management	H	12			12		
Condition Surveys contract - vertical audit	H	12		12			
To be determined	H	12				12	
CROSS SERVICE REVIEWS							
Project Management	H	20			20		
Problem Debt	H	20		20			
OTHER							
Management & Admin		40	10	10	10	10	
Ad-Hoc/Contingency		24		8	8	8	days reduced from 33
NFI Co-Ordination		10	2.5	2.5	2.5	2.5	
NFI Testing		10				10	days reduced from 20
Follow Up		20	5	5	5	5	
		485	17.5	137.5	172.5	157.5	

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ADUR & WORTHING
COUNCILS

Joint Governance Committee
28 May 2020
Agenda Item 8

Ward(s) Affected: All

Annual Governance Statements 2019/20

Report by the Director for Digital & Resources

Executive Summary

1. Purpose

1.1 To review and agree the Annual Governance Statements for 2019/20.

2. Recommendations

2.1 The Joint Governance Committee is asked to:

- (a) note the evidence of compliance with the Code of Corporate Governance and the Progress Report produced to deal with any issues arising from these requirements as set out in Appendix A.
- (b) approve the Annual Governance Statements for each Council as set out in Appendix B and C to this report

3. Context

- 3.1 Corporate governance is the responsibility of all of us and can be defined as:

“How local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.” - CIPFA/SOLACE

- 3.2 In late 2007 CIPFA/SOLACE published a framework and guidance on delivering good governance in local government. This framework was updated with revised principles in 2016.

- 3.3 The following are the six core principles in relation to local government as set out in the revised framework:

- Behaving with integrity, demonstrating a strong commitment to ethical values, and respecting the rule of law;
- Ensuring openness and comprehensive stakeholder engagement;
- Defining outcomes in terms of sustainable economic, social, and environmental benefits;
- Determining the interventions necessary to optimise the achievement of the intended outcomes;
- Developing the Council's capability, including the capability of its leadership and the individuals within it;
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency reporting and audit to deliver effective accountability

- 3.4 The 2007 framework required the production of a Code of Corporate Governance. This was agreed by the former Constitution and Audit Committee in Adur and the former Governance and Audit Committee in Worthing and approved by both Councils in July 2008. It has been reviewed periodically and the latest version was adopted by each Council in 2017.

- 3.5 The revision to the framework is designed to help local government take responsibility for developing and shaping an informed approach to

governance, aimed at achieving the highest standards in a measured and proportionate way. The Framework is intended to assist authorities individually in reviewing and accounting for their own unique approach. The overall aim is to ensure that:

- resources are directed in accordance with agreed policy and according to priorities
- there is sound and inclusive decision making
- there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

3.6 The Annual Governance Statement is a comment on the totality of good corporate governance, and it is a statutory requirement for this statement to be published annually. The Accounts and Audit Regulations 2015 required the publication of the Annual Governance Statement, following consideration of the Statement of Internal Control. The Council's Head of Internal Audit (from Mazars) will provide a written annual report to those charged with governance timed to support the annual governance statement. The Annual Governance Statement must be approved before the Statement of Accounts is approved.

3.7 The Code of Practice on Local Authority Accounting suggests that it is best practice to have the Annual Governance Statement published with the Statement of Accounts.

4. Annual Governance Statement 2019/20

4.1 These are key corporate documents and the most senior member and the most senior officer (Leader and Chief Executive) have joint responsibility as signatories for its accuracy and completeness. The Leader of each Council and the Chief Executive as signatories of the respective Annual Governance Statements need to ensure that they accurately reflect the governance framework for which they are responsible. The guidance advises that it should be owned by all senior officers and members of the authority and that it is essential that there is buy in at the top level of the organisation.

4.2 In order to achieve this they are likely to rely on many sources of assurance, such as:

- directors and managers;

- the responsible financial officer;
- the monitoring officer;
- members;
- the head of internal audit;.
- third parties, e.g. partnerships;
- external audit and other review agencies

4.3 The rough guide to preparing the Annual Governance Statement shows “the need for a review body in the process, such as an audit committee or scrutiny role who should be charged with critically reviewing the AGS and its supporting documentation”. The constitution indicates that this function should be dealt with by this Committee, and this is seen as the most satisfactory means of meeting the requirements for a critical review of the Annual Governance Statement.

4.4 There is no definitive way of producing the Annual Governance Statement. Professional guidance indicates that at the centre of the review process should be a corporate group who will be given ultimate responsibility for drafting the statement, evaluating assurances and the supporting evidence. This group should review whether or not there is consistency with existing policies and the authorities’ governance framework.

4.5 An officer working group is responsible for ensuring that the Annual Governance Statements accurately reflect the governance arrangements of the two Councils. The membership of the group comprises of:

- Monitoring Officer
- Section 151 Officer
- Organisational Development Business Partner
- Head of Wellbeing
- Democratic Services Officers
- Head of Customer and Digital Services
- Security and Risk Officer

4.6 A reference group of Councillors is used to give feedback on the preparation of the draft statement:

- the Leader of both Councils
- the Executive Member for Resources
- the Chair of the Joint Overview and Scrutiny Committee
- the Chair and Members of the Joint Governance Committee

4.7 As part of the review process, each of the Councillors referred to in paragraph 3.6 above were written to in April 2020 seeking feedback on issues which may have a bearing on the completion of the review of the Annual Governance Statement. Any responses received as part of the 2020 review process have been incorporated into the proposed statements.

4.8 The Officer's Governance Group has reviewed the current framework and action plan on issues required to improve or strengthen the Council's Governance Framework. The outcome of the review is shown in attached Governance Action Plan Progress Report as set out in the attached Appendix B. The traffic light system of reporting has been used to identify progress on dealing with the actions, and identifying any new action to take forward.

4.9 Following the identification of issues within the Housing Repair service over the last couple of years by Internal Audit, an officer working group was convened to review a number of processes and procedures associated with the Housing Revenue Account. This has recently been replaced by a business transformation project group to further improve how the service works. The work undertaken to date has highlighted a number of issues requiring disclosure in the Annual Governance Report.

5. Internal Audit Annual Report 2019/20

5.1 Each year the Head of Internal Audit (from Mazars who provide the Councils Internal Audit Service) produces an Internal Audit Annual Report which summarises the work that Internal Audit has undertaken during the previous financial year and the control environment key themes which have been identified across the authority. The purpose of this report is to provide an annual assurance statement on the adequacy and effectiveness of the Authority's systems of governance, risk management and internal control. A report is produced separately for Adur District Council and Worthing Borough Council.

- 5.2 For 2019/20 the Head of Internal Audit's Annual reports state that based on the Internal Audit work undertaken, it is the Head of Internal Audit's opinion that they can provide Satisfactory Assurance that the system of internal control in place at both Adur District and Worthing Borough Councils for the year ended 31st March 2020 accords with proper practice, except for the control environment issues as documented in Appendix 1 to that report (See separate report on this agenda). The assurance is broken down further between financial and non-financial systems where the Head of Internal Audit has commented as follows: "Our overall opinion is that internal controls within financial and operational systems operating throughout the year are fundamentally sound."
- 5.3 The following are extracts from the Head of Internal Audit's (Mazars) Internal Audit Annual Report.

Adur District Council

"We have noted a decrease in audit assurance opinions issued in 2019/20 relative to the prior year. However, it should be noted that the Plan is based on examination of high risk areas and areas highlighted by management as requiring review which may increase the likelihood of limited assurance reports being issued and therefore impact on the assurances given.

During 2019/20, 12 (57.1%) of the internal audit projects which have so far been completed were rated 'Satisfactory assurance' compared with 20 (62.5%) in the prior year and no 'Full assurance' opinions were issued in 2019/20 compared to 2 in 2018/19. We issued no 'No assurance' opinions in 2019/20 or 2018/19 and nine reports (42.9%) have been issued with 'limited assurance' opinions compared with ten (31.25%) in the previous year.

Worthing Borough Council

"We have noted a decrease in audit assurance opinions issued in 2019/20 relative to the prior year. However, it should be noted that the Plan is based on examination of high risk areas and areas highlighted by management as requiring review which therefore may increase the likelihood of limited assurance reports being issued.

During the 2019/20 year, 11 (61.1%) of the internal audit projects were rated 'Satisfactory assurance' compared with 20 (69%) in the prior year

and no 'Full assurance' opinions were issued in 2019/20 compared to 3 in 2018/19. We are pleased to report that we have not issued any 'No assurance' opinions in 2019/20, while we issued seven (38.9%) reports with 'limited assurance' opinions compared with six (20.7%) in the previous year.

6. Engagement and Communication

- 6.1 Officers and members are consulted on the production of the Annual Governance Statement as outlined in section 4 above.

7. Financial Implications

- 7.1 There are no direct costs or other financial implications involved with the production of these statements.
- 7.2 The Chief Financial Officer in her role as the Council's S.151 Officer has been closely involved in the preparation, review and publication of the Action Plan and the draft Annual Governance Statement.

8. Legal Implications

- 8.1 Paragraph 6 of the Accounts and Audit Regulations 2015 sets out the legal requirements for each authority to produce an Annual Governance Statement (AGS). The Annual Governance Statement is a comment on the totality of good corporate governance, and it is a requirement for this statement to be published alongside the statutory annual statement of accounts. The draft Annual Governance Statement for Adur District Council is attached to this report as Appendix C, and for Worthing at Appendix D. There is no longer a requirement to approve a separate AGS for the Joint Committee which no longer has a separate Statement of Accounts.
- 8.2 The Accounts and Audit (Coronavirus)(Amendment) Regulations 2020 has extended the deadline for the publication of the AGS from 31st July to the 30th November 2020. This change applies to the AGS for the 2019/20 financial year only. However the Council intends to complete the draft statement of accounts by 30th June 2020 and the audit is programmed from 3rd August to 16th September 2020, with approval by the Joint Governance Committee planned for the 22nd September 2020.

- 8.3 The Head of Legal Services in her role as the Council's Monitoring Officer has been closely involved in the preparation, review and publication of the Action Plan and the draft Annual Governance Statement.
- 8.4 Part 3 of each Council's constitutions set out the terms of reference for the Joint Governance Committee which includes their responsibilities in respect of Audit activity.

Background Papers:

Delivering Good Governance in Local Government Framework & Guidance
Notes for English Authorities; CIPFA/SOLACE 2016

Accounts and Audit Regulations 2015

The Accounts and Audit (Coronavirus)(Amendment) Regulations 2020

The role of the Chief Financial Officer in public service organisations - CIPFA

Officer Contact Details:

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Chief Financial Officer

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Sustainability & Risk Assessment

1. Economic

Matter considered and no issues identified.

2. Social

2.1 Social Value

Matter considered and no issues identified.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified.

4. Governance

The report contains an annual review of the Councils' governance arrangements.

A. Behaving with integrity, demonstrating a strong commitment to ethical values, and respecting the rule of law

Action Code	Title	Description	Assigned To	Due Date	Latest Note	Status
A1/01	Behaving with integrity	Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation	Susan Sale	Ongoing	<p>The Councils each have an up to date Code of Conduct for Members and an Officers Code of Conduct.</p> <p>The Code of Conduct is reviewed regularly; the latest review of the Members Code of Conduct took place in February 2020 and of the Officer Code in July 2018. .</p>	Progressing well (Green)
A1/02	Behaving with integrity	Ensuring members take the lead in establishing specific standard operating principles or values of the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles).	Amy Newham	Ongoing	The PDR process has been revamped with clear links to the core competencies and behaviours; training on one to one meetings has been provided to all leaders within the organisation.	Progressing well (Green)
A1/04	Behaving with integrity					

		Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.	Susan Sale / Sarah Gobey / Heidi Christmas	Ongoing	<p>The Council has up to date registers of interests, gifts and hospitality.</p> <p>The Whistleblowing policy is in place and has been made available on the Council's website. This will be reviewed in 2021 as part of the ongoing constitution review as it was last updated in 2018.</p>	Progressing well (Green)
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Appendix A

A. Behaving with integrity, demonstrating a strong commitment to ethical values, and respecting the rule of law

Action Code	Title	Description	Assigned To	Due Date	Latest Note	Performance Status
A2/03	Demonstrating strong commitment to ethical values	Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.	Sarah Gobey/ Cliff Youngman	31st July 2020	<p>The current procurement strategy was approved by the Joint Strategic Committee in June 2017 which outlines the Councils approach to sustainable procurement which fully considers social value.</p> <p>A new procurement strategy is due to be considered by members in July 2020.</p>	Progressing well (Green)
A2/04	Demonstrating strong commitment to ethical values	Statement of business ethics communicates commitment to ethical values to external suppliers	Sarah Gobey / Cliff Youngman	31st July 2020	Develop a procurement charter which illustrates the Councils' commitments to responsible procurement and social value. We will then encourage suppliers to sign up the charter.	Progressing well (Green)
A3/02	Respecting the rule of law					

		Creating conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements	Paul Brewer	Ongoing	<p>The CFO is not a member of the Corporate Leadership team and the Councils do not comply with the recommended guidance on the role of the Chief Financial Officer in Local Government.</p> <p>However the CFO does have access to the Chief Executive with regular meetings and the leadership team if needed.</p>	Being closely monitored (Amber)
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Appendix A

B. Ensuring openness and comprehensive stakeholder engagement

Action Code	Title	Description	Assigned To	Due Date	Latest Note	Performance Status
B1/01	Engaging comprehensively with institutional stakeholders	Openness	Sarah Gobey / Emma Thomas	Ongoing annually by 31st May each year	<p>Within the new framework there is a requirement for an Annual Report.</p> <p>The Council has developed the 'narrative report' contained within the Statement of Accounts to meet the key requirements of an Annual Report.</p>	Being closely monitored (Amber)
B1/01	Engaging comprehensively with institutional stakeholders					

		Engaging comprehensively with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.	Tina Favier	Ongoing	A key theme of the Platforms for our Places is Leadership of our Places – to develop strong partnerships, relationships and networks to support the platforms and enable their effective use and development. The Director for Communities leads on this work.	Being closely monitored (Amber)
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B. Ensuring openness and comprehensive stakeholder engagement
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Action Code	Title	Description	Assigned To	Due Date	Latest Note	Performance Status
B1/01	Engaging comprehensively with institutional stakeholders (continued)	Engaging comprehensively with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainable	Tina Favier / Mike Gilson	Ongoing review	<p>The Council does not have a communications strategy which underpins several of the elements of the principal of 'Ensuring openness and comprehensive stakeholder engagement'.</p> <p>At this time the Leaders do not feel a need to develop a written 'Communications Strategy'.</p> <p>Since April 2017, there has been a focus on developing the Councils Social Media platforms as the key mode of engagement, and the development of the Communications Unit into an 'agency model' to provide a range of professional strategic communications service to business units and local partners. This is supported by our commitments in Platforms for our Places, which outlines our strategic approach to develop the Communications function.</p>	Being closely monitored (Amber)

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

Action Code	Title	Description	Assigned To	Due Date	Latest Note	Performance Status
C1 /01	Defining outcomes	Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions	Alex Bailey	Ongoing	A new vision has been produced and agreed by the Councils called 'Platforms for Places: Going further'. The Council receives 6 months reports on progress in implementing the actions arising from these priorities. A performance framework will be further developed as part of the service planning process.	Progressing well (Green)

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

Action Code	Title	Description	Assigned To	Due Date	Latest Note	Performance Status
E1/02	Developing the entity's capacity					
		Improving resource use through the appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently.	Paul Brewer	Ongoing	VFM opinion audit judgement reviewed on an annual basis and the opinion is positive. A number of services are regionally benchmarked and others nationally e.g. Adur Homes, Fraud, Leisure. Cost comparisons with other Councils undertaken. VFM measured as part of procurement.	Progressing well(Green)
E1/04	Developing the entity's capacity					
		Developing and maintaining an effective workforce plan to enhance strategic allocation of resources	Heidi Christmas / Amy Newham	31st December 2020	The draft plan has been written and is due to go to members later in the year.	Progressing well(Green)
E2/02	Developing the capability of the entity's leadership and other individuals					
		<p>Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making body</p> <ul style="list-style-type: none"> Scheme of delegations is updated at least annually in the light of legal and organisational changes. 	Susan Sale	Ongoing	Scheme of delegations has been revised and a record of the amendments has been reviewed by the Joint Governance Committee.	Progressing well(Green)

		<ul style="list-style-type: none"> • Officer Decision Protocol is regularly reviewed • Executive Procedure Rules are regularly reviewed. 				
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Appendix A

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

Action Code	Title	Description	Assigned To	Due Date	Latest Note	Performance Status
E2/02	Developing the capability of the entity's leadership and other individuals					
		Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making body				
		- Contract standing orders are reviewed regularly	Sarah Gobey/ Susan Sale	Ongoing	<p>Refreshed Standing Orders recommended to Council for approval at JGC March 2017. This is due to be reviewed again in 2020/21.</p> <p>Training continues to be rolled out to all officers involved in procuring items of £5k or more.</p> <p>A toolkit has been rolled out to assist managers in complying with the Contract Standing Orders.</p> <p>A programme of contract management training is in place.</p>	Progressing well (Green)
		- To review and refresh the financial regulations.	Sarah Gobey	Ongoing	A new revised set of financial regulations was approved by the Councils in April 2019	Progressing well (Green)

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

Action Code	Title	Description	Assigned To	Due Date	Latest Note	Performance Status
E2/04	Developing the capability of the Councils leadership and other individuals					
		Ensuring members have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis	Tina Favier / Susan Sale	Ongoing	<p>A revised development programme is due to be implemented for 2020/21 with initial sessions being delivered remotely as a result of the Covid 9 situation. The programme is intended to deliver targeted development sessions for Elected Members.</p> <p>The development programme will include topics such as chairing meetings, decision making, code of conduct, GDPR, planning, licensing, safeguarding, housing, casework, local government finance, social media and developing Adur & Worthing.</p> <p>This can be evidenced via individual Trello Passports which are kept up-to-date and are available for inspection. The new development programme is available on request.</p>	Progressing well (Green)

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

Action Code	Title	Description	Assigned To	Due Date	Latest Note	Performance Status
E2/04	Developing the capability of the Councils leadership and other individuals					
		<p>Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.</p> <ul style="list-style-type: none"> - Reviewing individual member performance on a regular basis taking account of their attendance and considering any training or development needs. 	Tina Favier	Ongoing	<p>There is no formal process for carrying out development reviews for Members.</p> <p>However Democratic Services do ensure that planning and licensing training is kept up to date which ensures that performance in determination of quasi-judicial determinations is good.</p>	<p>Being closely monitored</p> <p>(Amber)</p>
E2/09		Holding staff to account through regular performance reviews which take account of training or development needs	Heidi Christmas / Amy Newham	Ongoing	<p>A full training programme 'Leading quality Conversations' has been rolled out across the organisation with a new approach to performance reviews and development.</p> <p>HR policies are currently being refreshed.</p> <p>A programme of training for people leaders is being co-designed with these leaders in order to support them with their leadership and management skills.</p>	<p>Being closely monitored</p> <p>(Amber)</p>

F. Managing risks and performance through robust internal control and strong public financial management

Action Code	Title	Description	Assigned To	Due Date	Latest Note	Performance Status
F2/02	Managing Performance	Monitoring service delivery effectively including planning, specification, execution and independent post implementation review.	Paul Brewer / Mark Lowe	Ongoing	<p>Service plan commitments and progress against the outcomes detailed in Platforms for our places is regularly monitored.</p> <p>Project management arrangements in place which include a PID, project plan and post implementation review.</p>	Progressing well (Green)
F2/03	Managing Performance	Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during, and after decisions are made thereby enhancing the organisation's performance.	Paul Brewer / Mark Lowe	Annual / Ongoing	<p>Annual report on scrutiny produced providing evidence of improvements of changes resulting from the work of the Joint Overview and Scrutiny Committee.</p> <p>An annual report for the work of JOSC is next due to be considered by the committee on the 25 June 2020.</p>	Progressing well (Green)

F. Managing risks and performance through robust internal control and strong public financial management

Action Code	Title	Description	Assigned To	Due Date	Latest Note	Performance Status
F2/05	Managing Performance	<p>Ensuring there is consistency between specification stages and post implementation reporting</p> <ul style="list-style-type: none"> - Good procurement and contract management arrangements are in place 	Sarah Gobey / Cliff Youngman	Ongoing	<p>The Contract Standing Orders have been reviewed and a new training programme continues to be rolled out.</p> <p>A procurement toolkit has been developed to help staff purchase wisely.</p> <p>Guidance on supplier management is being developed</p> <p>Contract management training programme is in place.</p>	Progressing well (Green)
F3/05	Robust Internal control	<p>Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body:</p> <ul style="list-style-type: none"> - provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment 	Sarah Gobey	Ongoing	<p>Effective audit scrutiny is in place. Councillors can attend training. A programme is in place to develop the knowledge and skills of the Councillors.</p> <p>A review of the effectiveness of the Audit Committee was last considered by the Joint Governance Committee in June 2019.</p>	Progressing well (Green)

F. Managing risks and performance through robust internal control and strong public financial management

Action Code	Title	Description	Assigned To	Due Date	Latest Note	Performance Status
F3/05	Robust Internal control					
		- that its recommendations are listened to and acted upon	Sarah Gobey / Sue Smith	Ongoing	<p>Head of Internal Audit reports to the Corporate Leadership Team to regularly to raise profile of issues.</p> <p>An App has been implemented for the tracking of agreed audit recommendations. This is being used by Council officers to provide updates and is used by Audit to review actions and report progress to JGC.</p> <p>Heads of Service are now being asked to attend JGC where responses to audit queries are not being provided or where No/Limited assurance reports are issued.</p>	Progressing well (Green)
F4/01	Managing data					
		Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data	Paul Brewer/ Jan Jonker	Ongoing	<p>This work is overseen by the Senior Information Governance Officer.</p> <p>A suite of IS Policies, procedures, training & guidance is in place and is continuously reviewed. Progress and performance are monitored by the Senior Information Risk Owner.</p> <p>Compliance is regularly audited by internal audit.</p>	Being closely monitored (Amber)

F. Managing risks and performance through robust internal control and strong public financial management

Action Code	Title	Description	Assigned To	Due Date	Latest Note	Performance Status
F4/02	Managing data	Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.	Paul Brewer/ Jan Jonker	Ongoing	Data sharing protocols are in place when sharing data with other bodies. All services have Privacy Notices in place at the point of data collection.	Progressing well (Green)

G. Implementing good practices in transparency reporting and audit to deliver effective accountability

Action Code	Title	Description	Assigned To	Due Date	Latest Note	Performance Status
G2/02	Implementing good practices in reporting	Reporting at least annually on performance, value for money and the stewardship of its assets	Sarah Gobey / Emma Thomas / Mark Lowe	Ongoing	<p>A formal annual report is now required. This should include key points raised by scrutineers and service users' feedback on service delivery .</p> <p>Joint Overview and Scrutiny Committee's annual report for 2019/20 is due to be approved at Council in July 2020.</p> <p>This requirement was introduced in 2016/17. The narrative report will be further developed to meet the requirements of an annual report.</p>	Progressing well (Green)

ADUR DISTRICT COUNCIL ANNUAL GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

Adur District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government 2016 (the Framework). The Framework expects that local authorities will put in place proper arrangements for the governance of their affairs and which facilitate the effective exercise of functions and ensures that the responsibilities set out above are met.

At least once a year, Local Authorities are statutorily required to review their governance arrangements. The preparation and publication of an Annual Governance Statement in accordance with the Framework fulfils this requirement.

A copy of the code is on our website at www.adur.gov.uk or www.adur-worthing.gov.uk or can be obtained from the Council. This statement explains how Adur District Council has complied with the code and also meets the requirements of regulation 6 of the Accounts and Audit Regulations 2015 in relation to the publication of a statement on internal control.

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Council for the financial year ended 31st March 2020 and up to the date of approval of the statement of accounts.

THE GOVERNANCE FRAMEWORK

The key elements of the systems and processes that comprise the Council's governance arrangements are summarised below:

ADUR DISTRICT COUNCIL ANNUAL GOVERNANCE STATEMENT

Key elements of the Council's Governance Framework

Council, Executive and Leader

- Provides leadership and develops the Council's vision of its purpose and intended outcome for residents and service users.
- Develops the vision into objectives for the Council and its partnerships

Decision making

- All decisions are made in the open
- Decisions are recorded on the Council website
- The scheme of delegations which details the decision making arrangements is regularly updated
- The Monitoring Officer ensures that all decisions made comply with relevant laws and regulations

Risk Management

- Risk registers identify both operational and strategic risks
- Key risks and opportunities are considered by the Corporate Leadership Team every quarter
- Risks and opportunities are reported to the Joint Governance Committee every quarter and inform the work of the internal audit team

Scrutiny and Review

- The Joint Overview and Scrutiny Committee reviews Council policy and can challenge the decisions made.
- The Joint Governance Committee undertakes all of the core functions of an audit committee.
- The Joint Governance Committee is responsible for review and approving the Council's Governance arrangements and undertakes the role of a Standards Committee ensuring that members comply with the Code of Conduct

Corporate Leadership Team

- The Council's Corporate Leadership Team comprises of the Chief Executive and three Directors who are responsible for the delivery of the Council's aims and objectives
- The head of paid service is the Chief Executive who is responsible for all Council Staff and leading an effective Corporate Leadership Team.
- CLT seeks advice from the Council's Chief Financial Officer who is responsible for safeguarding the Council's financial position
- CLT seeks advice from the Monitoring Officer who is the Head of Legal Services. They are responsible for enduring legality and promoting high standards of public conduct.

The operation of this authority's governance framework is described in the sections below. This sets out how the Council has complied with the seven principles set out in the Framework during 2019/20.

ADUR DISTRICT COUNCIL ANNUAL GOVERNANCE STATEMENT

THE OPERATION OF THE GOVERNANCE FRAMEWORK

The governance framework gives the Members and the Organisation, in a number of ways, the confidence and certainty that what needs to be done is being done. The chart below provides a high level overview of the Council's key responsibilities, how they are met and the means by which assurance is delivered.

WHAT WE NEED TO DO	HOW WE DO IT
Principle A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	<ul style="list-style-type: none"> • The Constitution • The Monitoring Officer • Section 151 Officer • Codes of conduct • Whistleblowing Policy • Bribery Act 2010 policy guidance • Corporate anti-fraud work • Procurement Strategy
Principle B Ensuring openness and comprehensive stakeholder engagement	<ul style="list-style-type: none"> • Consultations • Terms of reference for partnerships • Freedom of information requests • Complaints procedure
Principle C Defining outcomes in terms of sustainable economic, social, and environmental benefits	<ul style="list-style-type: none"> • Organisational goals • Service planning • Performance Management • Community Strategy • Procurement Strategy
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Principle F Managing risks and performance through robust internal control and strong public financial management	<ul style="list-style-type: none"> • Effective member scrutiny function • Financial management and MTFP • Corporate risk register • Annual audit plan • Information Security policies • Compliance with the requirements of the Public Service Network (PSN)
Principle G Implementing good practices in transparency reporting and audit to deliver effective accountability	<ul style="list-style-type: none"> • Reports are held on the website • Annual audited financial statements are publically available • Annual Governance Statement • Effective Internal Audit Service

ADUR DISTRICT COUNCIL ANNUAL GOVERNANCE STATEMENT

THE OPERATION OF THE GOVERNANCE FRAMEWORK

HOW WE KNOW WHAT NEEDS TO BE DONE IS BEING DONE

Joint Governance Committee function and self-assessment;
Corporate Governance Group; Scrutiny Reviews;
Review of progress made in addressing issues; Performance monitoring;
Review of compliance with corporate governance controls;
Review of accounts; Employee opinion surveys; Internal audits and external audits;
Inspections and recommendations made by external agencies.

The following sections look at how the Council delivers governance principles in more detail:

A. BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW

The Constitution

The constitution sets out the how the Council operates; the roles and responsibilities of members, officers and the scrutiny and review functions; how decisions are made; and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. Although there is no longer a statutory requirement, this Council continues with this arrangement internally; and regularly reviews and updates the constitution to ensure it reflects current practice. As well as working together as a single organisation and with our neighbour Worthing borough Council, members and officers continue to improve their working relations with other organisations, both locally and sub-nationally, to achieve a common purpose of improved efficiency and effectiveness.

The Monitoring Officer

The Monitoring Officer is a statutory function and ensures that the Council, its officers, and its elected members, maintain the highest standards of conduct in all they do. The Monitoring Officer ensures that the Council is compliant with laws and regulations, as well as internal policies and procedures. She is also responsible for matters relating to the conduct of Councillors and Officers, and for monitoring and reviewing the operation of the Council's Constitution.

Section 151 Officer

Whilst all Council Members and Officers have a general financial responsibility, the s151 of the Local Government Act 1972 specifies that one Officer in particular must be responsible for the financial administration of the organisation and that this Officer must be CCAB qualified. This is typically the highest ranking qualified finance officer and in this Council this is Sarah Gobey, who is also the Chief Financial Officer.

ADUR DISTRICT COUNCIL ANNUAL GOVERNANCE STATEMENT

THE OPERATION OF THE GOVERNANCE FRAMEWORK

A. BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW

Codes of Conduct

Codes of Conduct exist for both staff and members.

All Councillors have to keep to a Code of Conduct to ensure that they maintain the high ethical standards the public expect from them. If a complainant reveals that a potential breach of this Code has taken place, Adur District Council or Worthing Borough Council may refer the allegations for investigation or decide to take other action.

On joining the Council, Officers are provided with a contract outlining the terms and conditions of their appointment. All staff must declare any financial interests, gifts or hospitality on a public register. Additionally, members are expected to declare any interests at the start of every meeting that they attend in accordance with Standing Orders. Members and officers are required to comply with approved policies.

Whistleblowing

The Council is committed to achieving the highest possible standards of openness and accountability in all of its practices. The Council's Whistleblowing policy (revised in 2018) <http://awintranet/media/media,125134.en.pdf> sets out the options and associated procedures for Council staff to raise concerns about potentially illegal, unethical or immoral practice and summarises expectations around handling the matter.

Anti-fraud, bribery and corruption

The Council is committed to protecting any funds and property to which it has been entrusted and expects the highest standards of conduct from Members and Officers regarding the administration of financial affairs.

The Councils have a Corporate Anti-Fraud Team which acts to minimise the risk of fraud, bribery, corruption and dishonesty and recommends procedures for dealing with actual or expected fraud.

Guidance and policies for staff on the Bribery Act 2010 and the Prevention of Money Laundering are found on the intranet.

ADUR DISTRICT COUNCIL ANNUAL GOVERNANCE STATEMENT

THE OPERATION OF THE GOVERNANCE FRAMEWORK

B. ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

Transparency

The Council and its decisions are open and accessible to the community, service users, partners and its staff.

All reports requiring a decision are considered by appropriately qualified legal, and finance staff with expertise in the particular function area before they are progressed to the relevant Committee or group. This Council wants to ensure that equality considerations are embedded in the decision-making and applied to everything the Council does. To meet this responsibility, equality impact assessments are carried out on all major council services, functions, projects and policies in order to better understand whether they impact on people who are protected under the Equality Act 2010 in order to genuinely influence decision making.

All reports and details of decisions made can be found on the Council's website at <https://www.adur-worthing.gov.uk/meetings-and-decisions/>

Freedom of Information enquiries

The Freedom of Information Act 2000 (Fol) gives anyone the right to ask for any information held by a public authority, which includes this Council, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.

Engagement and communication

It is recognised that people need information about what decisions are being taken locally, and how public money is being spent in order to hold the council to account for the services they provide. The views of customers are at the heart of the council's service delivery arrangements.

Adur and Worthing Councils have developed a Consultation Policy which can be found at [About consultation in Adur & Worthing - Adur & Worthing Councils](#) which reflects the council's ambition to enable and empower communities to shape the places within which they live and work, influence formal decision making and make informed choices around the services they receive.

To be effective this policy aims to inspire and support a genuine two-way dialogue with all sections of the community and other stakeholders. There are a number of ways people can get involved and connect with the council. Current consultations can be found on the Councils website at www.adur-worthing.gov.uk. Local people have the option to engage in a dialogue through: social media sites (including Facebook and twitter), petition schemes, stakeholder forums, tenant associations, council meetings (open to the public), and their local Councillor.

Consultations

Internally, a consultation toolkit has been developed to guide council staff through the consultation process. The agreed process ensures that engagement activity is relevant, accessible, transparent and responsive. To increase awareness, consultations are proactively promoted. A list of current district-wide consultations is available on the council website.

ADUR DISTRICT COUNCIL ANNUAL GOVERNANCE STATEMENT

THE OPERATION OF THE GOVERNANCE FRAMEWORK

B. ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

Complaints

There is a clear and transparent complaints procedure for dealing with complaints. The Council operates a three-stage complaints procedure and promises to acknowledge complaints within 5 working days and respond fully within 10 working days for first-stage complaints, and 15 working days for second-stage complaints. If complainants remain dissatisfied they have the right to refer the matter to the Local Government Ombudsman.

Partnership working

In addition to the partnership between Adur and Worthing (<http://www.adur-worthing.gov.uk/about-the-councils/partnership-working/>), this Council is involved in a number of different partnerships, at different levels – each with their own set of terms of reference for effective joint working.

C. DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL, AND ENVIRONMENTAL BENEFITS

Joint Corporate Priorities

The Councils have recently agreed a new plan 'Platforms for our Places' that sets out Adur & Worthing Councils' ambition for our places' and our communities' prosperity and wellbeing over three years (2017-2020).

The Councils have agreed programmes of work for 2018/19 under five themes or 'Platforms' which set out their aspirations for the town.

- **Our financial economies**
- **Our social economies**
- **Stewarding our natural resources**
- **Services and solutions for our places**
- **Leadership of our places**

Further details of how these priorities will be achieved are included in a programme of work which can be found on the internet at [Platforms for our Places 2017 - 2019](#)

The Council has received regular reports on the progress in delivering the outcomes set out within Platforms for our Places.

This has recently been reviewed and revised. Platforms for our Places: Going Further sets out the Councils' role in developing places and communities over the next three years (2020-2022) which can be found on the internet at [Platforms for our Places: Going further](#)

Community Strategy

The Waves Ahead Partnership is a strategic partnership for Adur and Worthing. The Partnership, non-statutory since 2010, is made up of key interested parties from the public and private sectors, community, voluntary and faith-based groups and local residents. The aim is to work more effectively through collaboration, adding value to local initiatives, projects and ideas.

ADUR DISTRICT COUNCIL ANNUAL GOVERNANCE STATEMENT

THE OPERATION OF THE GOVERNANCE FRAMEWORK

C. DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL, AND ENVIRONMENTAL BENEFITS

Community Strategy

Together, partners have produced a collective vision for future which is captured in the Waves Ahead Sustainable Community Strategy. The Strategy has four themes:

- better health and wellbeing for all
- feeling safe and included
- strengthening the local economy and improving job prospects
- a better place to live, work and enjoy, with quality amenities.

This strategy can be found on the internet at <http://www.wavesahead.org.uk/>

D. DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES

Service planning and performance management

In order to secure these outcomes for residents and service users, the Council needs to respond to some tough challenges. Through partnership working, increasing income from commercial activity and efficiency savings the Council has made significant savings over the past five years and needs to find a further £1.4m by 2024/25 in a climate of reducing funding from Central Government and rising demand for many of the Councils services. This means that it is important that, whilst we focus on achieving the organisational goal and aspirations, we continue to plan services in detail on an annual basis, focusing on challenges over the coming year but also considering the medium term horizon.

The Heads of Service are responsible for preparing service plans that include detail on: core business that must be delivered; plans for improvement, development and disinvestment; financial planning; arrangements for addressing key governance issues; key service risks and management/mitigation activity and arrangements for robust performance management within the service.

E. DEVELOPING THE COUNCIL'S CAPABILITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT

Recruitment and induction

The Council operates a robust interview and selection process to ensure that Officers are only appointed if they have the right levels of skills and experience to effectively fulfil their role. If working with children and/or vulnerable adults they will be subject to an enhanced criminal records check prior to appointment. New Officers receive induction which provides information about how the organisation works, policies and health and safety. Newly elected Councillors are required to attend an induction which includes information on: roles and responsibilities; political management and decision-making; financial management and processes; health and safety; information governance; and safeguarding.

ADUR DISTRICT COUNCIL ANNUAL GOVERNANCE STATEMENT

THE OPERATION OF THE GOVERNANCE FRAMEWORK

E. DEVELOPING THE COUNCIL'S CAPABILITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT

Training and development

All Officers are required to complete a number of mandatory e-learning courses including health and safety, equalities and diversity, financial rules, and information governance. Officers and Members have access to a range of IS, technical, soft skills and job specific training courses. Compulsory training is provided for Members who sit on the following committees: Governance, Licensing Committee, and the Planning Committee. Other member-led training is available to Councillors through Democratic Services and Learning and Development. The package of support available gives Members the opportunity to build on existing skills and knowledge in order to carry out their roles effectively.

Performance development and review

All Officers receive regular one to ones with their Manager in order to monitor workload and performance and Managers are required to carry out regular performance development reviews, which seek to identify future training and development needs. Services consider workforce plans as part of the annual business planning process. Our service plans paint a picture of what we want to achieve; workforce planning helps to establish the nature of the workforce needed to deliver that vision, and produce a plan to fill the gaps. This helps to ensure we have the right people, with the right skills, in the right jobs, at the right time.

F. MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT

Effective scrutiny

The Council operates a Joint Overview and Scrutiny Committee (JOSC) governed by its own terms of reference. It is important that JOSC acts effectively as one of their key tasks is to review and challenge the policy decisions that are taken by Executive or the Joint Strategic Committee. Topics that are chosen to be 'scrutinised' are looked at in depth by a cross party panel of Councillors. They assess how the Council is performing and see whether they are providing the best possible, cost effective service for people in the area. The JOSC's findings are reported to the Joint Strategic Committee or Executive and may result in changes to the way in which services are delivered.

Financial management

The Chief Financial Officer is responsible for leading the promotion and delivery of good financial management so that public money is safeguarded at all times, ensuring that budgets are agreed in advance and are robust, that value for money is provided by our services, and that the finance function is fit for purpose. She advises on financial matters to both the Executive and full Council and is actively involved in ensuring that the authority's strategic objectives are delivered sustainably in line with long term financial goals. The s151 Officer together with finance team ensure that new policies or service proposals are costed, financially appraised, fully financed and identifies the key assumptions and financial risks that face the council.

ADUR DISTRICT COUNCIL ANNUAL GOVERNANCE STATEMENT

THE OPERATION OF THE GOVERNANCE FRAMEWORK

F. MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT

Financial management

Financial Regulations have recently been revised by the s151 Officer so that the Council can meet all of its responsibilities under various laws. They set the framework on how we manage our financial dealings and are part of our Constitution. They also set the financial standards that will ensure consistency of approach and the controls needed to minimise risks. The s151 Officer has a statutory duty to report any unlawful financial activity or failure to set or keep to a balanced budget. She also has a number of statutory powers in order to allow this role to be carried out, such as the right to insist that the local authority makes sufficient financial provision for the cost of internal audit.

Risk management

All significant risks (defined as something that may result in failure in service delivery, significant financial loss, non-achievement of key objectives, damage to health, legal action or reputational damage) must be logged on a Corporate Risk Register, profiled (as high/medium/low), and mitigating measures/assurances must be put in place. These risks are regularly reported to CLT and the Joint Governance Committee.

G. IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY REPORTING AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY

Joint Governance Committee

As its name suggests, the Joint Governance Committee has the responsibility for receiving many reports that deal with issues that are key to good governance. The Committee undertakes the core functions of an Audit Committee identified in CIPFA's practical guidance. The group has an agreed set of terms of reference, which sets out their roles and responsibilities of its members.

Internal audit

The Head of Internal audit is a qualified accountant who has full access to senior management and the Joint Governance Committee (which fulfils the role of an audit committee). The audit team is properly resourced. The Council is in compliance with the CIPFA statement on the Role of the Head of Internal Audit (2010).

The Head of Internal Audit provides an independent and objective annual opinion on the effectiveness of internal control, risk management and governance each year. This is carried out by the Internal Audit team in accordance with the Public Sector Internal Audit Standards.

ADUR DISTRICT COUNCIL ANNUAL GOVERNANCE STATEMENT

THE OPERATION OF THE GOVERNANCE FRAMEWORK

G. IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY REPORTING AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY

Annual accounts

The Council publishes full audited accounts each year which are published on the website at <https://www.adur-worthing.gov.uk/about-the-councils/finance/statement-of-accounts/> .

REVIEW OF EFFECTIVENESS

Adur District Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by relevant stakeholders, the external auditors and other review agencies and inspectorates.

The Council has procedures in place to ensure the maintenance and review of the effectiveness of the governance framework, which includes reports to and reviews by the following:

- the Joint Strategic Committee, Executives, the Joint Governance Committee, and the Joint Overview and Scrutiny Committee.
- internal and external audit
- other explicit review/assurance mechanisms.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Joint Governance Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

SIGNIFICANT GOVERNANCE ISSUES

There is one significant governance issues either identified by red status on the Governance Action Plan or from the Internal Audit Annual Report or via a report from the Monitoring Officer;

i) Housing management procurement, procedures and processes;

The Council identified the need to improve its management of the Housing Repairs Service and other key housing management policies and processes such as those governing leaseholder charges following an in depth review. An internal working group was convened. To support the work of this group, several additional audits were commissioned from the Internal Audit team by the working group in conjunction with the Head of Housing. Actions are being taken to improve the service by way of:

- Improvements to the internal control environment to ensure that all works are properly commissioned and paid for;
- A major review of all the inspection regimes.
- A review of the staffing and management of the service.

ADUR DISTRICT COUNCIL ANNUAL GOVERNANCE STATEMENT

- A review of the contractual arrangements for the housing repairs service including letting new contracts for services where appropriate.
- A review of all of the policies and procedures relating to service and leaseholder charges
- A new digital repairs management system which will radically improve communications with tenants, and provide the ability to easily and comprehensively monitor service levels and drive further improvement.

OTHER ISSUES

The Governance Action Plan has been updated to deal with any issues brought forward from the 2019 review together with any issues which have been identified during the current review.

The governance requirements as detailed in the 'Statement on the Role of the Chief Financial Officer in Public Services' are that:

- the Chief Financial Officer should be professionally qualified,
- report directly to the Chief Executive and
- be a member of the leadership team, with a status at least equivalent to other members.

The position within Adur and Worthing Councils does not wholly conform to the above statement. The Section 151 Officer does not report directly to the Chief Executive, but reports to one of the Directors in line with the reporting requirements for all Heads of Service. The Section 151 Officer is not a member of the Council's Corporate Leadership Team and does not have the same status as the other members, but has full access to the Chief Executive via regular meetings and the Corporate Leadership Team where necessary.

Covid 19 Emergency

The recent pandemic has required the Council to act swiftly to support the local community. Due to the timing of this event, there has been little impact on the governance arrangements in 2019/20, and the Council was able to take any necessary action in March 2020 using existing budgets and procedures including invoking the Council's business continuity arrangements.

However, the emergency has necessitated an increased use of urgency powers in 2020/21, which will be formally reported to members at the next meeting of the Joint Strategic Committee in June 2020.

To ensure that our Governance arrangements have remained fit for purpose during this emergency, there will be a review of the Council's response as part of the 2020/21 audit plan.

ADUR DISTRICT COUNCIL ANNUAL GOVERNANCE STATEMENT

PROPOSED ACTION

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: _____

Councillor Neil Parkin
Leader of the Council
Adur District Council



Dated:

Signed: _____

Alex Bailey
Chief Executive of
Adur & Worthing Councils



Dated:

WORTHING BOROUGH COUNCIL ANNUAL GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

Worthing Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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At least once a year, Local Authorities are statutorily required to review their governance arrangements. The preparation and publication of an Annual Governance Statement in accordance with the Framework fulfils this requirement.

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THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

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The governance framework has been in place at the Council for the financial year ended 31st March 2020 and up to the date of approval of the statement of accounts.

THE GOVERNANCE FRAMEWORK

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The operation of this authority's governance framework is described in the sections below. This sets out how the Council has complied with the seven principles set out in the new Framework during 2019/20.

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THE OPERATION OF THE GOVERNANCE FRAMEWORK

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WORTHING BOROUGH COUNCIL ANNUAL GOVERNANCE STATEMENT

THE OPERATION OF THE GOVERNANCE FRAMEWORK

HOW WE KNOW WHAT NEEDS TO BE DONE IS BEING DONE

Joint Governance Committee function and self-assessment;
Corporate Governance Group; Scrutiny Reviews;
Review of progress made in addressing issues; Performance monitoring;
Review of compliance with corporate governance controls;
Review of accounts; Employee opinion surveys; Internal audits and external audits;
Inspections and recommendations made by external agencies.

The following sections look at how the Council delivers governance principles in more detail:

A. BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW

The Constitution

The constitution sets out the how the Council operates; the roles and responsibilities of members, officers and the scrutiny and review functions; how decisions are made; and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. Although there is no longer a statutory requirement, this Council continues with this arrangement internally and is in the process of updating the constitution to ensure it reflects current practice. As well as working together as a single organisation and with our neighbour Worthing borough Council, members and officers continue to improve their working relations with other organisations, both locally and sub-nationally, to achieve a common purpose of improved efficiency and effectiveness.

The Monitoring Officer

The Monitoring Officer is a statutory function and ensures that the Council, its officers, and its elected members, maintain the highest standards of conduct in all they do. The Monitoring Officer ensures that the Council is compliant with laws and regulations, as well as internal policies and procedures. She is also responsible for matters relating to the conduct of Councillors and Officers, and for monitoring and reviewing the operation of the Council's Constitution.

Section 151 Officer

Whilst all Council Members and Officers have a general financial responsibility, the s151 of the Local Government Act 1972 specifies that one Officer in particular must be responsible for the financial administration of the organisation and that this Officer must be CCAB qualified. This is typically the highest ranking qualified finance officer and in this Council this is Sarah Gobey, who is also the Chief Financial Officer.

WORTHING BOROUGH COUNCIL ANNUAL GOVERNANCE STATEMENT

THE OPERATION OF THE GOVERNANCE FRAMEWORK

A. BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW

Codes of Conduct

Codes of Conduct exist for both staff and members.

All Councillors have to keep to a Code of Conduct to ensure that they maintain the high ethical standards the public expect from them. If a complainant reveals that a potential breach of this Code has taken place, Adur District Council or Worthing Borough Council may refer the allegations for investigation or decide to take other action.

On joining the Council, Officers are provided with a contract outlining the terms and conditions of their appointment. All staff must declare any financial interests, gifts or hospitality on a public register. Additionally, members are expected to declare any interests at the start of every meeting that they attend in accordance with Standing Orders. Members and officers are required to comply with approved policies.

Whistleblowing

The Council is committed to achieving the highest possible standards of openness and accountability in all of its practices. The Council's Whistleblowing policy (revised in 2018) <http://awintranet/media/media,125134.en.pdf> sets out the options and associated procedures for Council staff to raise concerns about potentially illegal, unethical or immoral practice and summarises expectations around handling the matter.

Anti-fraud, bribery and corruption

The Council is committed to protecting any funds and property to which it has been entrusted and expects the highest standards of conduct from Members and Officers regarding the administration of financial affairs.

The Councils have a Corporate Anti-Fraud Team which acts to minimise the risk of fraud, bribery, corruption and dishonesty and recommends procedures for dealing with actual or expected fraud.

Guidance and policies for staff on the Bribery Act 2010 and the Prevention of Money Laundering are found on the intranet.

B. ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

Transparency

The Council and its decisions are open and accessible to the community, service users, partners and its staff.

WORTHING BOROUGH COUNCIL ANNUAL GOVERNANCE STATEMENT

THE OPERATION OF THE GOVERNANCE FRAMEWORK

B. ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

Transparency

All reports requiring a decision are considered by appropriately qualified legal, and finance staff with expertise in the particular function area before they are progressed to the relevant Committee or group. This Council wants to ensure that equality considerations are embedded in the decision-making and applied to everything the Council does. To meet this responsibility, equality impact assessments are carried out on all major council services, functions, projects and policies in order to better understand whether they impact on people who are protected under the Equality Act 2010 in order to genuinely influence decision making.

All reports and details of decisions made can be found on the Council's website at <https://www.adur-worthing.gov.uk/meetings-and-decisions/>

Freedom of Information enquiries

The Freedom of Information Act 2000 (Fol) gives anyone the right to ask for any information held by a public authority, which includes this Council, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.

Engagement and communication

It is recognised that people need information about what decisions are being taken locally, and how public money is being spent in order to hold the council to account for the services they provide. The views of customers are at the heart of the council's service delivery arrangements.

Adur and Worthing Councils have developed a Consultation Policy which can be found at [About consultation in Adur & Worthing - Adur & Worthing Councils](#) which reflects the council's ambition to enable and empower communities to shape the places within which they live and work, influence formal decision making and make informed choices around the services they receive.

To be effective this policy aims to inspire and support a genuine two-way dialogue with all sections of the community and other stakeholders. There are a number of ways people can get involved and connect with the council. Current consultations can be found on the Councils website at www.adur-worthing.gov.uk. Local people have the option to engage in a dialogue through: social media sites (including Facebook and twitter), petition schemes, stakeholder forums, council meetings (open to the public), and their local Councillor.

Consultations

Internally, a consultation toolkit has been developed to guide council staff through the consultation process. The agreed process ensures that engagement activity is relevant, accessible, transparent and responsive. To increase awareness, consultations are proactively promoted. A list of current district-wide consultations is available on the council website.

WORTHING BOROUGH COUNCIL ANNUAL GOVERNANCE STATEMENT

THE OPERATION OF THE GOVERNANCE FRAMEWORK

B. ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

Complaints

There is a clear and transparent complaints procedure for dealing with complaints. The Council operates a three-stage complaints procedure and promises to acknowledge complaints within 5 working days and respond fully within 10 working days for first-stage complaints, and 15 working days for second-stage complaints. If complainants remain dissatisfied they have the right to refer the matter to the Local Government Ombudsman.

Partnership working

In addition to the partnership between Adur and Worthing (<http://www.adur-worthing.gov.uk/about-the-councils/partnership-working/>), this Council is involved in a number of different partnerships, at different levels – each with their own set of terms of reference for effective joint working.

C. DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL, AND ENVIRONMENTAL BENEFITS

Joint Corporate Priorities

The Councils have recently agreed a new plan 'Platforms for our Places' that sets out Adur & Worthing Councils' ambition for our places' and our communities' prosperity and wellbeing over three years (2017-2020).

The Councils have agreed programmes of work for 2018/19 under five themes or 'Platforms' which set out their aspirations for the town.

- **Our financial economies**
- **Our social economies**
- **Stewarding our natural resources**
- **Services and solutions for our places**
- **Leadership of our places**

Further details of how these priorities will be achieved are included in a programme of work which can be found on the internet at [Platforms for our Places 2017 - 2019](#)

The Council has received regular reports on the progress in delivering the outcomes set out within Platforms for our Places.

This has recently been reviewed and revised. Platforms for our Places: Going Further sets out the Councils' role in developing places and communities over the next three years (2020-2022) which can be found on the internet at [Platforms for our Places: Going further](#)

Community Strategy

The Waves Ahead Partnership is a strategic partnership for Adur and Worthing. The Partnership, non-statutory since 2010, is made up of key interested parties from the public and private sectors, community, voluntary and faith-based groups and local residents. The aim is to work more effectively through collaboration, adding value to local initiatives, projects and ideas.

WORTHING BOROUGH COUNCIL ANNUAL GOVERNANCE STATEMENT

THE OPERATION OF THE GOVERNANCE FRAMEWORK

C. DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL, AND ENVIRONMENTAL BENEFITS

Community Strategy

Together, partners have produced a collective vision for future which is captured in the Waves Ahead Sustainable Community Strategy. The Strategy has four themes:

- better health and wellbeing for all
- feeling safe and included
- strengthening the local economy and improving job prospects
- a better place to live, work and enjoy, with quality amenities.

This strategy can be found on the internet at <http://www.wavesahead.org.uk/>

D. DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES

Service planning and performance management

In order to secure these outcomes for residents and service users, the Council needs to respond to some tough challenges. Through partnership working and efficiency savings the Council has made significant savings over the past five years and needs to find a further £3.8m by 2024/25 in a climate of reducing funding from Central Government and rising demand for many of the Council's services. This means that it is important that, whilst we focus on achieving the organisational goal and aspirations, we continue to plan services in detail on an annual basis, focusing on challenges over the coming year but also considering the medium term horizon.

The Heads of Service are responsible for preparing service plans that include detail on: core business that must be delivered; plans for improvement, development and disinvestment; financial planning; arrangements for addressing key governance issues; key service risks and management/mitigation activity and arrangements for robust performance management within the service.

E. DEVELOPING THE COUNCIL'S CAPABILITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT

Recruitment and induction

The Council operates a robust interview and selection process to ensure that Officers are only appointed if they have the right levels of skills and experience to effectively fulfil their role. If working with children and/or vulnerable adults they will be subject to an enhanced criminal records check prior to appointment. New Officers receive induction which provides information about how the organisation works, policies and health and safety. Newly elected Councillors are required to attend an induction which includes information on: roles and responsibilities; political management and decision-making; financial management and processes; health and safety; information governance; and safeguarding.

WORTHING BOROUGH COUNCIL ANNUAL GOVERNANCE STATEMENT

THE OPERATION OF THE GOVERNANCE FRAMEWORK

E. DEVELOPING THE COUNCIL'S CAPABILITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT

Training and development

All Officers are required to complete a number of mandatory e-learning courses including health and safety, equalities and diversity, financial rules, and information governance. Officers and Members have access to a range of IS, technical, soft skills and job specific training courses. Compulsory training is provided for Members who sit on the following committees: Governance, Licensing Committee, and the Planning Committee. Other member-led training is available to Councillors through Democratic Services and Learning and Development. The package of support available gives Members the opportunity to build on existing skills and knowledge in order to carry out their roles effectively.

Performance development and review

All Officers receive regular one to ones with their Manager in order to monitor workload and performance and Managers are required to carry out a performance development review on an annual basis, which seeks to identify future training and development needs. Services consider workforce plans as part of the annual business planning process. Our service plans paint a picture of what we want to achieve; workforce planning helps to establish the nature of the workforce needed to deliver that vision, and produce a plan to fill the gaps. This helps to ensure we have the right people, with the right skills, in the right jobs, at the right time.

F. MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT

Effective scrutiny

The Council operates Joint Overview and Scrutiny Committee (JOSC) governed by its own terms of reference. It is important that JOSC acts effectively as one of their key tasks is to review and challenge the policy decisions that are taken by Executive or the Joint Strategic Committee. Topics that are chosen to be 'scrutinised' are looked at in depth by a cross party panel of Councillors. They assess how the Council is performing and see whether they are providing the best possible, cost effective service for people in the area. The JOSC's findings are reported to the Joint Strategic Committee or Executive and may result in changes to the way in which services are delivered.

Financial management

The Chief Financial Officer is responsible for leading the promotion and delivery of good financial management so that public money is safeguarded at all times, ensuring that budgets are agreed in advance and are robust, that value for money is provided by our services, and that the finance function is fit for purpose. She advises on financial matters to both the Executive and full Council and is actively involved in ensuring that the authority's strategic objectives are delivered sustainably in line with long term financial goals. The s151 Officer together with finance team ensure that new policies or service proposals are costed, financially appraised, fully financed and identifies the key assumptions and financial risks that face the council.

WORTHING BOROUGH COUNCIL ANNUAL GOVERNANCE STATEMENT

THE OPERATION OF THE GOVERNANCE FRAMEWORK

F. MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT

Financial management

Financial Regulations have been recently updated by the s151 Officer so that the Council can meet all of its responsibilities under various laws and are annually reviewed. They set the framework on how we manage our financial dealings and are part of our Constitution. They also set the financial standards that will ensure consistency of approach and the controls needed to minimise risks. The s151 Officer has a statutory duty to report any unlawful financial activity or failure to set or keep to a balanced budget. She also has a number of statutory powers in order to allow this role to be carried out, such as the right to insist that the local authority makes sufficient financial provision for the cost of internal audit.

Risk management

All significant risks (defined as something that may result in failure in service delivery, significant financial loss, non-achievement of key objectives, damage to health, legal action or reputational damage) must be logged on a Corporate Risk Register, profiled (as high/medium/low), and mitigating measures/assurances must be put in place. These risks are regularly reported to CLT and the Joint Governance Committee.

G. IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY REPORTING AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY

Joint Governance Committee

As its name suggests, the Joint Governance Committee has the responsibility for receiving many reports that deal with issues that are key to good governance. The Committee undertakes the core functions of an Audit Committee identified in CIPFA's practical guidance. The group has an agreed set of terms of reference, which sets out their roles and responsibilities of its members.

Internal audit

The Head of Internal audit is a qualified accountant who has full access to senior management and the Joint Governance Committee (which fulfils the role of an audit committee). The audit team is properly resourced. The Council is in compliance with the CIPFA statement on the Role of the Head of Internal Audit (2010).

The Head of Internal Audit provides an independent and objective annual opinion on the effectiveness of internal control, risk management and governance each year. This is carried out by the Internal Audit team in accordance with the Public Sector Internal Audit Standards.

WORTHING BOROUGH COUNCIL ANNUAL GOVERNANCE STATEMENT

THE OPERATION OF THE GOVERNANCE FRAMEWORK

G. IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY REPORTING AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY

Annual accounts

The Council publishes full audited accounts each year which are published on the website at <https://www.adur-worthing.gov.uk/about-the-councils/finance/statement-of-accounts/> .

REVIEW OF EFFECTIVENESS

Worthing Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by relevant stakeholders, the external auditors and other review agencies and inspectorates.

The Council has procedures in place to ensure the maintenance and review of the effectiveness of the governance framework, which includes reports to and reviews by the following:

- the Joint Strategic Committee, Executives, the Joint Governance Committee, and the Joint Overview and Scrutiny Committee.
- internal and external audit
- other explicit review/assurance mechanisms.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Joint Governance Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

SIGNIFICANT GOVERNANCE ISSUES

There are no significant governance issues either identified by red status on the Governance Action Plan or from the Internal Audit Annual Report or via a report from the Monitoring Officer;

OTHER ISSUES

The Governance Action Plan has been updated to deal with any issues brought forward from the 2018 review together with any issues which have been identified during the current review.

The governance requirements as detailed in the 'Statement on the Role of the Chief Financial Officer in Public Services' are that:

- the Chief Financial Officer should be professionally qualified,
- report directly to the Chief Executive; and
- be a member of the leadership team, with a status at least equivalent to other members.

WORTHING BOROUGH COUNCIL ANNUAL GOVERNANCE STATEMENT

The position within Adur and Worthing Councils does not wholly conform to the above statement. The Section 151 Officer does not report directly to the Chief Executive, but reports to one of the Directors in line with the reporting requirements for all Heads of Service. The Section 151 Officer is not a member of the Council's Corporate Leadership Team and does not have the same status as the other members, but has full access to the Chief Executive via regular meetings and the Corporate Leadership Team where necessary.

Covid 19 Emergency

The recent pandemic has required the Council to act swiftly to support the local community. Due to the timing of this event, there has been little impact on the governance arrangements in 2019/20, and the Council was able to take any necessary action in March 2020 using existing budgets and procedures including invoking the Council's business continuity arrangements.

However, the emergency has necessitated an increased use of urgency powers in 2020/21, which will be formally reported to members at the next meeting of the Joint Strategic Committee in June 2020.

To ensure that our Governance arrangements have remained fit for purpose during this emergency, there will be a review of the Council's response as part of the 2020/21 audit plan.

PROPOSED ACTION

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: _____

Councillor Daniel Humphreys
Leader of the Council
Worthing Borough Council



Dated: _____

Signed: _____

Alex Bailey
Chief Executive of
Adur & Worthing Councils



Dated: _____

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ADUR & WORTHING
COUNCILS

Joint Governance Committee
28 May 2020
Agenda Item 9

Ward(s) Affected: All

Audit enquiries to those charged with Governance

Report by the Director for Digital & Resources

Executive Summary

1. Purpose

- 1.1 Our external auditors, Ernst and Young, have asked that the Committee considers a letter about how the Joint Governance Committee gains assurance from management regarding the financial governance arrangements of the Councils. The Chairmen of the Committee have received two letters, one for Adur District Council, and one the Worthing Borough Council. The letter to Adur District Council is attached as Appendix 1, which is identical to the letter to Worthing Borough Council.
- 1.2 To assist the Committee in its deliberation of the letter, attached at Appendix 2 is the proposed response to each of the questions raised. This can form the basis of a formal letter.

2. Recommendations

- 2.1 The Joint Governance Committee is asked to consider and agree the proposed response to the audit letter.

3. Context

- 3.1 The audit of the Council's financial statements is guided by International Standards of Auditing (ISAs). In order to comply with a number of these ISA's, each year the Chairmen of the Joint Governance Committee are written to by the Council's external auditor. The purpose of this letter is to obtain an understanding on how those charged with governance (the Joint Governance Committee) exercise oversight of management's processes in relation to fraud, laws and regulations and going concern.

4. Issues for consideration

- 4.1 It is proposed that the Committee discusses its draft response to the letter at Appendix 2. Members should be aware that the Committee is also asked to comment on whether the Councils are a 'going concern'. This is addressed separately below.

5. Going Concern

- 5.1 In accounting, "going concern" refers to an organisations' ability to continue functioning as a business entity. For the Councils, it is the responsibility of the Joint Governance Committee to assess whether the going concern assumption is appropriate when preparing the financial statements. The Councils are required to disclose in the notes to the Financial Statements whether there are any factors that may put the organisations' status as a going concern in doubt.
- 5.2 In forming an opinion on whether the Councils and the Joint Committee are 'going concerns' it is important to note the following:
- The budgets reported to Councils and the Joint Strategic Committee were balanced in 2019/20 and 2020/21
 - The budget monitoring and outturn reports show that both Councils continue to spend within the overall budget set.
 - Both Councils have a reasonable level of reserves and have a strategy to build reserves over the forthcoming years.
 - Whilst there is a significant financial impact of the Covid 19 emergency on the Council finances, the Councils have received

government funding towards the likely impact and currently it is assessed that both Council's have sufficient reserves to fund the consequences of the emergency in 2020/21.

Consequently, the Committee should have no concerns about whether the Councils and the Joint Committee are going concerns.

6. Engagement and Communication

- 6.1 The Head of Internal Audit and the Monitoring Officer have been consulted on the proposed responses to the External Auditors.
- 6.2 The purpose of the report is to consult with the members of the Joint Governance Committee on the proposed response to our External Auditors

7. Financial Implications

- 7.1 There are no financial implications arising from this report.

8. Legal Implications

- 8.1 This report concerns the audit of the Statements of Accounts which will be prepared in accordance with statutory instrument number 2015/234, the Accounts and Audit (England) Regulations 2015 as amended by the Accounts and Audit (Coronavirus)(Amendment) Regulations 2020; and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, based on International Financial Reporting Standards (IFRS).

Background Papers

Regular reports to the Joint Governance Committee on the progress of the work of internal audit

Officer Contact Details:-

Sarah Gobey – Chief Financial Officer

01903 221221

sarah.gobey@adur-worthing.gov.uk

Sustainability & Risk Assessment

1. Economic
Matter considered and no issues identified

2. Social

2.1 Social Value
Matter considered and no issues identified

2.2 Equality Issues
Matter considered and no issues identified

2.3 Community Safety Issues (Section 17)
Matter considered and no issues identified

2.4 Human Rights Issues
Matter considered and no issues identified

3. Environmental
Matter considered and no issues identified

4. Governance

The report provides a proposed response to the letter from the External Auditor on how the Committee gains oversight of the Councils' management processes and arrangement.

This forms part of the Councils' annual audit which is part of the financial governance arrangements of the Councils.



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Councillor Kevin Boram
Adur District Council
c/o Worthing Town Hall
Chapel Road
Worthing
West Sussex
BN11 1HA

26th March 2020

Direct line: 023 8038 2099

Email: HThompson2@uk.ey.com

Dear Councillor Boram

Understanding how the Joint Governance Committee gains assurance from management - Adur District Council

Auditing standards require us to formally update our understanding of your arrangements for oversight of management processes and arrangements annually. Therefore, we are writing to ask that you please provide a response to the following questions.

- 1) How does the Joint Governance Committee, as 'those charged with governance' at the Authority, exercise oversight of management's processes in relation to:
 - undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud or error (including the nature, extent and frequency of these assessments);
 - identifying and responding to risks of fraud in the Authority, including any specific risks of fraud which management have identified or that have been brought to its attention, or classes of transactions, account balances, or disclosure for which a risk of fraud is likely to exist;
 - communicating to employees its view on business practice and ethical behaviour (for example by updating, communicating and monitoring against the Authority code of conduct);
 - encouraging employees to report their concerns about fraud; and
 - communicating to you the processes for identifying and responding to fraud or error?
- 2) How does the Joint Governance Committee oversee management processes for identifying and responding to the risk of fraud and possible breaches of internal control?
- 3) Is the Committee aware of any:
 - breaches of, or deficiencies in, internal control; and
 - actual, suspected or alleged frauds during 2019/20?

4) Is the Committee aware any organisational or management pressure to meet financial or operating targets?

5) How does the Joint Governance Committee gain assurance that all relevant laws and regulations have been complied with? Are you aware of any instances of non-compliance during 2019/20?

6) Is the Joint Governance Committee aware of any actual or potential litigation or claims that would affect the financial statements?

7) How does the Joint Governance Committee satisfy itself that it is appropriate to adopt the going concern basis in preparing the financial statements?

8) What does the Joint Governance Committee consider to be the related parties that are significant to the Authority and what is its understanding of the relationships and transactions with those related parties?

9) Does the Joint Governance Committee have concerns regarding relationships or transactions with related parties and, if so, what is the substance of those concerns?

Please would you provide a response covering the whole of 2019/20, by email or letter either on behalf of those charged with governance or from yourself in your capacity as Chair of the Joint Governance Committee. Please send the response via e-mail to hllili@uk.ey.com or by hard copy to Hannah Lill at our Southampton Office address shown at the top of this letter. If possible, please could we have your response by 31st May 2020.

Thank you for your assistance. If you have any queries in respect of this letter please contact Hannah Lill at hllili@uk.ey.com.

Yours sincerely



Helen Thompson
Associate Partner
For and on behalf of Ernst & Young LLP

QUESTION	PROPOSED RESPONSE
<p>1. How does the Joint Governance Committee, as ‘those charged with governance’ at the authority exercise oversight of management’s processes in relation to:</p> <ul style="list-style-type: none"> undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud or error (including the nature, extent and frequency of these assessments)? identifying and responding to risks of fraud in the Authority, including any specific risks of fraud which management have identified or that have been brought to its attention, or classes of transactions, account balances, or disclosure for which a risk of fraud is likely to exist?; 	<p>The Joint Governance Committee have received regular reports from the Head of Internal Audit in relation to the operation of the control environment which is used to inform the Committee’s view of management processes.</p> <p>Management has assessed that the risk of material fraud affecting the financial statements is very low. There is a robust system of internal control operating as reported by the Head of Internal Audit to the council and no evidence of material fraud.</p> <p>The Joint Governance Committee has oversight of this. It receives regular reports from the Head of Internal Audit including:</p> <ul style="list-style-type: none"> The Internal Audit Plan is presented to the Committee to consider and approve. This takes into account the risks associated with individual services and processes, and the frequency with which services are subjected to audit. Internal audit provide the committee with regular reports on the audits undertaken together with details of any limited assurance audits; The Head of Internal audit produces an annual report for the Committee. <p>In addition, the Committee approves the Council’s Annual Governance Statement ensuring that assurances from many sources across the Councils are provided which underpin the draft (AGS) for the Leader and the Chief Executive to review and sign.</p>

QUESTION	PROPOSED RESPONSE
<p>1. How does the Joint Governance Committee, as ‘those charged with governance’ exercise oversight of management's processes in relation to: (continued)</p> <ul style="list-style-type: none"> communicating to employees its view on business practice and ethical behavior (for example by updating, communicating and monitoring against the Authority’s code of conduct); encouraging employees to report their concerns about fraud; and communicating to you the processes for identifying and responding to fraud or error? 	<p>The Joint Governance Committee has oversight of this. The Councils have a code of conduct which is approved by the Committee. The Committee is also aware that Democratic Services keeps a register of Officer and Member interests.</p> <p>The Committee is aware that the Council has a well-publicised whistle blowing policy for staff to use. The Council also has several other policies and procedures in place which the Committee has oversight of including:</p> <ul style="list-style-type: none"> Code of conduct for members Council Policies (e.g. counter Fraud & Corruption). Financial and Contract Standing Orders Staff & Member declarations of interest. Programme of audits by Internal Audit. Work by External Audit. <p>The Joint Governance Committee has oversight of this and receives regular reports from internal audit. These include regular updates from the Corporate Fraud manager.</p>
<p>2. How does the Joint Governance Committee oversee management processes for identifying and responding to the risk of fraud and possible breaches of internal control</p>	<p>The Joint Governance Committee has oversight of this and monitors this through the reports provided by internal audit.</p> <p>The committee receives details of any limited and nil assurance audit reports and any special audit reviews commissioned.</p>

QUESTION	PROPOSED RESPONSE
<p>3. Is the Joint Governance Committee aware of any:</p> <ul style="list-style-type: none"> • breaches of or deficiencies in internal control? • actual, suspected or alleged frauds during 2019/20? 	<p>We are not aware of any breaches of internal control other than those brought to our attention through the work of internal audit.</p> <p>We are not aware of any actual, suspected or alleged frauds other than those brought to our attention through the work of internal audit, the monitoring officer, and the S151 Officer.</p>
<p>4. Is the Committee aware of any organisational or management pressure to meet financial or operating targets?</p>	<p>Officers are asked to monitor budgets and report to members over or under spends in a transparent manner, they will be questioned on any over or under performance against budget.</p> <p>However, there is no undue organisational or management pressure to meet financial or operating targets. There are no staff incentives for meeting financial or operating targets.</p>
<p>5. How does the Joint Governance Committee gain assurance that all relevant laws and regulations have been complied with? Are you aware of any instances of non-compliance in 2019/20?</p>	<ul style="list-style-type: none"> • The Councils Legal Service Team lead by the Monitoring Office has a general advisory role to all Council Services as supplemented by specialist legal advice when necessary; • All reports must be reviewed by the legal officers and include a legal implications paragraph before any decision is made; • A legal officer is present at all meetings of the Council to ensure that Council operates within the law; • Legal issues are considered as part of audit work; • Committee approves the constitution, delegations, financial regulations and contract standing orders which provide guidance on procedural matters to ensure Council operates within the law. • Training is arranged by the legal team on new legislation and matters of particular significance.

QUESTION	PROPOSED RESPONSE
5. How does the Joint Governance Committee gain assurance that all relevant laws and regulations have been complied with? Are you aware of any instances of non-compliance in 2019/20? (continued)	The Committee is not aware of any instances of non-compliance other than those brought to our attention through the work of internal audit or by the monitoring officer.
6. Is the Joint Governance Committee aware of any actual or potential litigation or claims that would affect the financial statements?	<p>Any potential litigation claims are disclosed within the statement of accounts.</p> <p>The Committee is not aware of any instances of any other potential claims other than those brought to our attention by the Chief Financial Officer or by the monitoring officer.</p>
7. How does the Joint Governance Committee satisfy itself that it is appropriate to adopt the 'going concern' basis in preparing the financial statements?	<p>The Committee considers the overall financial information available to it. These include:</p> <ul style="list-style-type: none"> • The annual revenue budget; • The Councils track record in spending within the budgets set; • The Councils' levels of reserves. <p>The Committee has carried out this assessment and we are of the opinion that the Councils' and the Joint Committee have the ability to continue as a going concern.</p>
8. What does the Joint Governance Committee consider to be the related parties that are significant to the Authority and what is its understanding of the relationships and transactions with those related parties?	<p>The members of the Committee have received guidance on related party transactions from the S151 officer. The Committee understands that significant related parties include members and officers of the Council or their close family members.</p> <p>The Committee is not aware of any significant related parties or transactions other than those disclosed within the Statement of Accounts</p>
9. Does the Joint Governance Committee have concerns regarding relationships with related parties and, if so, what is the substance of those concerns?	The Committee does not have any concerns regarding relationships with related parties.



ADUR & WORTHING
COUNCILS

Joint Governance Committee
28 May 2020
Agenda Item 10

Ward(s) Affected:N/A

Risks and Opportunities Updates Report

Report by the Director for Digital & Resources

Executive Summary

1. Purpose

- 1.1 This report provides updates on the management of the Councils' risks and Opportunities.

2. Recommendations

- 2.1 That the progress in managing risks and opportunities be noted;
- 2.2 That the Committee consider if it would like any further information on any of the Risks and Opportunities; and
- 2.3 That the Committee agree to receive a further progress report in September 2020.

3. Context

- 3.1 The Committee has previously requested that progress update reports on the management of the Councils' risks and opportunities should be reported to the Committee to assist it in its role monitoring the effective development and operation of risk management and corporate governance in the Councils. The Committee has also requested that more detailed information be provided on the 'High/Red' Service Risks for each Directorate. The last report to the Committee was on 28 January 2020.

4. Issues for consideration

- 4.1 Progress continues to be made to monitor and review the full Risk and Opportunity registers. Corporate Risks and Opportunities, which reflect the aims set out in Platforms for our Places are reported regularly to the Councils Leadership Team. The Joint Strategic Committee also receives an annual summary report on the management of the Corporate Risks and Opportunities. Service Risk registers are regularly updated in consultation with Directors, Heads of Service and Departmental Management Team meetings.
- 4.2 This report has been produced during the middle of the Global Covid-19 Pandemic and the Councils responses to the crisis and, therefore the report this time include changes required to the Risks/Opportunities because of the impact of Covid-19 on some services and the responses being put in place to mitigate the risks. Details of particular Covid-19 impacts are set out in the attached Appendices for each Risk affected.

5. A Summary of the Risk and Opportunities Management updates

- 5.1 A summary of the main changes to the Risks and Opportunities since the last updates report in January 2020 and Covid-19 related updates are included in the table attached as Appendix A to this report. At the request of the Committee, this report also includes details of the mitigation measures in place for all 'High/Red' Risks (Corporate and Service), including Covid-19 impacts and these are attached at Appendix B to the report.
- 5.2 The number of 'High' Risks now reported is 8 Corporate and 11 Service (4 for Financial Services, 4 for Housing Services, 2 for Major Projects & Investment and 1 for Leisure). A new Corporate Risk dealing with the overall Covid-19 impact and likelihood has been added since the last report. Updates on changes to the other Risks and Opportunities including any added

or removed are included in Appendix A to this report and the regular review undertaken with Heads of Service and Directors has identified any key issues emerging relating to the delivery of the Services amidst the ongoing Covid-19 response. This work continues to highlight the good practice being followed across the organisation in the management of Risks and Opportunities and the importance of risk and opportunity management, especially in these difficult times.

6. Engagement and Communication

- 6.1 The Councils Leadership Team and Organisational Leadership Group have been consulted on the production of this report.

7. Financial Implications

- 7.1 There are no direct financial implications as a result of this report but there are some financial implications if the Risks/Opportunities occur.

8. Legal Implications

- 8.1 There are no legal matters arising as a result of this report. The Joint Governance Committee does have responsibility for receiving the annual risk report and also for monitoring the effective development and operation of risk and opportunity management.
- 8.2 Risk and Opportunity management is an important element in ensuring that service delivery objectives are achieved.

Background Papers

Adur and Worthing Councils Risk and Opportunity Management Strategy - 2018 - 2020

Risk & Opportunity Management updates report to Joint Governance Committee - 28 January 2020

Officer Contact Details:-

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Scrutiny & Risk Officer

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Sustainability & Risk Assessment

1. Economic

Matter considered. The Risks and Opportunities are directly linked to the projects and work streams that have been in place to help deliver the commitments and activities contained in the Councils strategic vision 'Platforms for our Places'. Some of these will impact on the economic development of the areas if they occur.

2. Social

2.1 Social Value

Matter considered. Some of the Risks and Opportunities do impact on communities.

2.2 Equality Issues

Matter considered. Some of the Risks and Opportunities refer to equalities issues.

2.3 Community Safety Issues (Section 17)

Matter considered. Some of the Risks and Opportunities may relate to crime and disorder issues.

2.4 Human Rights Issues

Matter considered and no direct issues identified.

3. Environmental

Matter considered. Some of the Risks and Opportunities may impact on environmental issues.

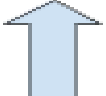
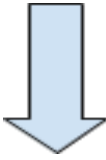
4. Governance

Matter considered. As part of good governance the Councils need to manage Risks and Opportunities. The Councils Risk and Opportunity Management Strategy sets out clear governance controls for the management of Risks and Opportunities and part of these include provision for the Service Risks and Opportunities to be considered three times a year by the Joint Governance Committee.

Updates on Risk and Opportunity Management

Risk & Opportunity Management Dashboard	Area	January 2019 update	May 2019 update	September 2019 update	January 2020 update	May 2020 update
Corporate Risks & Opportunities	Risks	9	9	9	10	11 ↑
	Opportunities	5	5	5	5	5 ↔
Service Risks & Opportunities	Environmental Services	4	5	5	4	3 ↓
	Housing Risks	8	8	8	8	9 ↑
	Opportunities	2	2	2	2	2 ↔
	Wellbeing	5	5	5	5	6 ↑
	Customer & Digital	8	8	8	7	7 ↔
	Financial Services Risks	7	7	7	7	7 ↔
	Opportunities	1	1	1	1	1 ↔
	Human Resources	5	5	5	5	5 ↔
	Legal Services Risks	2	2	1	1	1 ↔
	Opportunities	1	1			
	Revenues & Benefits	5	5	4	4	4 ↔
	Facilities & Technical Services	5	5	5	6	7 ↑
	Major Projects & Investment	10	10	10	10	10 ↔

	Place & Economy	5	5	5	6	7 ↑
	Planning & Development Risks Opportunities	17 1	18 1	19 1	18 1	18 ↔ 1 ↔
	Leisure			1	2	3 ↑
Number of High Risks on Service Registers	Housing Financial Services Major Projects & Investment Leisure	4 4	4 4	4 4	4 4	4 ↔ 4 ↔ 2 ↑ 1 ↑

 Risks where assessment score has increased since the last report	<p><u>Covid-19 related</u></p> <p>Major Projects & Investment - Estates income - Failure to meet property income targets - Risk increased to High Risk due impact of Covid-19</p> <p>Major Projects & Investment - Shoreham Airport - Airport as a regional airport has limited demand and there is potential it might cease to operate. - Risk increased to High Risk due to Covid-19 impact.</p>
 Risks where assessment score has reduced since the previous report.	<p>Major Projects & Investment - Provision of flood defence walls on the Sussex Yacht club site - Risk reduced to Low Risk on the basis of the mitigation in place and likelihood reducing.</p> <p>Major Projects & Investment - Failure to develop and adhere to property acquisition and management protocols for the Council's commercial property portfolio. - Risk reduced to Low Risk because of controls now in place and impact now reducing.</p>

<p>New Risks/Opportunities added since last report</p>	<p><u>Covid-19 related</u></p> <p>Corporate Risk - Covid-19 response - High Risk</p> <p>Leisure - Leisure providers cease trading or suffer severe financial impact which curtails their ability to provide service - High Risk</p> <p>Facilities & Technical Services - Potential delay to capital projects to improve or refurbish Council assets because of social distancing - Medium Risk</p> <p>Place & Economy - 'Time for Worthing Brand' will not become integrated - Medium Risk</p> <p>Housing Services - Potential delays in undertaking Housing repairs due to Covid-19 and social distancing measures in place and potential delays in undertaking repairs when 'lockdown' measures are removed due to demand for repairs - Medium Risk.</p> <p>Wellbeing - Covid-19 - Community response - Medium Risk</p>
<p>Risks/Opportunities removed since last report.</p>	<p>Environmental Services - Potential opening of new crematorium in the Arun District. Risk removed because planning permission for a new crematorium has now been refused and no longer poses a risk.</p>

Joint Governance Committee - 28 May 2020

Corporate ‘High’ Risks

<u>Risk</u>	<u>Internal Controls</u>	<u>Risk Impact</u>	<u>Risk Likelihood</u>
<p><u>Covid-19</u></p> <p>Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus. The Government, on the advice of medical experts, has introduced social distancing measures, emergency legislation and economic packages to mitigate the effects of the crisis.</p> <p>This will continue to affect the operations of the councils to meet the demands of the response normal business functions and subsequent recovery effort which may last 12 months or more before we reach a stage of “relative normality”.</p> <p>A future social and economic landscape will be significantly different and our ability to adapt will require careful consideration.</p>	<p>May 2020 - The duration of the pandemic is unclear. The duration is dependent on a number of unknowns at this stage. Until a vaccine has been produced and distributed, emergency measures will continue in one form or another. This will continue to disrupt “normal” life. Any relaxation of social distancing at the wrong time runs the risk of a second wave of infection which places additional and potentially significant escalation of infection rates.</p> <p>The impacts arising from the prolonged crisis will be managed through the recovery effort which ultimately aims to return to “relative normality” The timescale is uncertain.</p> <p>Key recovery objectives for Sussex are in the following key areas;</p> <ul style="list-style-type: none"> • Community and staff welfare • Infrastructure • Economy <p>Internally the risk will continue to increase as the crisis extends. The impacts as an organisation will cover a number of areas including;</p> <ul style="list-style-type: none"> • Economic Impacts through loss of income and wider demands relating to increased benefit claims, business rate relief and a reduction of business operating within the local authority area. • Staff welfare - Prolonged lockdown measures will increase the risk of mental health concerns and general welfare concerns. 	Major	Likely

<p><u>Council Finances</u></p> <p>Council finances continue to be under pressure after several years of reducing income from central government. The councils have set balanced budgets every year, and do not rely on reserves to do so. A recent LGA Peer Review also found that a series of plans and strategies are in place to address challenges going forward, although there remains a projected shortfall currently for 2020/21. The councils' reserves position is in the lower quartile of SE Districts and the position needs improvement.</p>	<p>May 2020</p> <p>There are currently significant costs and loss of income being borne as a result of the COVID-19 crisis and lockdown measures. These include financial pressures in leisure trusts, the costs of housing the homeless, and impacts on a range of income streams such as car parking income.</p> <p>A further tranche of funding from central government - £1.6bn - was recently announced and the Councils have received £1.7m of additional support for 2020/21. Councils Leadership Team are receiving regular reports on the financial position and have initiated a strategic review over the next months, as well as immediate spend control measures whilst ensuring work continues to deliver against the platforms for our places strategy as our programme will support economic recovery and community resilience.</p> <p>There is a high degree of uncertainty with regard to the length and nature of lockdown measures, and the possibility of future central government support. A report will be brought to the Joint Strategic Committee in July to set out the position at that time.</p>	Major	Very Likely
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<p><u>Welfare Reform</u></p> <p>'Welfare Reform' is used to cover a range of issues in particular:</p> <ul style="list-style-type: none"> • Changes to how benefits paid to those who are working to incentivise work. • Changes to the maximum level of benefits paid to families and individuals who are not working • Changes to how working age benefits are paid and a shift to one benefit package 'Universal Credit' (UC) • Benefits being administered largely by central government as opposed to local government - UC administered by DWP vs Housing Benefit by local authorities. • UC being paid monthly, to an individual person or family member, into a bank account. • Benefits for young people and single people reduced • Benefits for larger families reduced <p>The impact of these changes are still working through the system but in areas where Universal credit has been rolled out fully the following effects have been reported.</p> <ul style="list-style-type: none"> • 5-6 weeks gap before UC is paid (in some cases longer) • Local systems unable to track individuals in need, as the system is centralised and data is no longer available • Housing costs not being met by the 	<p>May 2020 -</p> <p>The rollout of Universal Credit continues to have a limited impact in reducing the number of live Housing Benefit claims. However, the COVID-19 situation has resulted in</p> <ol style="list-style-type: none"> 1. A significant number of new claims for Council Tax Support 2. The Government announcing increased awards of Housing Benefit and Council Tax Support (LHA rates have been increased for private sector tenants and the value of income not taken into account has been increased) 3. The Government announcing discretionary awards of £150 for working-age Council Tax Support customers <p>For the DWP overall there has been a 6 fold increase in the number of UC claimants during March for Adur and Worthing (combined) the majority of which (85%) are self employed people. DWP is managing to deal with most UC claims within 5 weeks.</p> <p>The percentage of UC claimants in Adur Homes has increased from 16 to 19%</p> <p>There is therefore likely to be an increase in rent arrears which would impact on homelessness. There is an Adur Homes Improvement plan in place to focus on rent arrears which is being monitored by the Head of Service. Work is also taking place with the Wellbeing Team to promote budgeting and financial inclusion strategies. The team is also recruiting a specialist rent arrears officer.</p>	Major	Very Likely
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<p>level of out of work benefits</p> <p>The impact for the Councils of this is potentially on two fronts, increased homelessness presentations and/or reduced rental income for Adur Homes. This is compounded by the year on year reduction in social rents by 1% which also reduces the financial income for Adur Homes.</p> <p>Recent agreements to cut budgets from WSCC lines - e.g the Local Assistance Network funding; Supported Housing and IPEH (Universal services) may also impact in these areas.</p>			
<p><u>Economic uncertainty</u></p> <p>Covid 19 will have a severe impact on the local economy. The impact on our town centres will be significant and key sectors such as hotels, restaurants and retailing will be particularly adversely affected. Some businesses will not survive and there will be an increase in unemployment.</p> <p>Resilience will be key and local councils will be expected to play a key role in supporting economic recovery. As part of this, many businesses will need to change their model of operation and the councils will need to respond to their changing needs in terms of factors such as regulation; infrastructure and logistics.</p>	<p>May 2020 -</p> <p>The Councils will need to respond quickly to support the interests of local business and the wider economy. A number of measures will be needed to ensure that the local economy develops the necessary resilience:</p> <p>Supporting the local economy where there are opportunities for growth. The digital and creative industries sector has been growing at a significant rate nationally. Understanding this sector and nurturing its growth in our local economy will continue to be important;</p> <p>Supporting our major businesses as they develop new business models;</p> <p>There will be an expectation that local authorities play a more central role and we have already seen this in the distribution of Government grants and processing of business rate relief requests. We will need to partner with some of our major employers to secure access to public</p>	Major	Likely

	<p>investment monies that do become available;</p> <p>Economic recovery will require local authorities to be agile and flexible in using their powers to respond at pace to support the economy. This is likely to mean that new and innovative approaches will be needed to overcome traditional barriers and traditional bureaucratic obstacles;</p> <p>A resilient local economy will demand affordable and high speed digital infrastructure 'on tap'. Publicly available digital access will help to support town centre recovery and the wider visitor economy.</p> <p>Supporting our town centres and helping create the right conditions for trade. In the short term this will include working to help ensure that our town centres and supporting infrastructure offer a safe environment for residents and visitors. This includes car parks; public spaces community facilities; civic buildings; seafront and cultural and leisure venues.</p> <p>Using our asset base wisely to provide opportunities for employment to support start up businesses and those with the opportunity to scale up;</p> <p>Accelerating our programme of major development projects to support economic recovery;</p> <p>Accelerating the digital infrastructure programme to ensure that local businesses are well placed to compete;</p> <p>Respond to changing patterns of consumer behaviour together with greater expectations around ethical supply chains and locally sourced products. The councils are well placed to support business through their procurement activity;</p> <p>Working with training and skills providers to assist people back into employment;</p> <p>The Councils commissioned a review of economic data in 2019. The</p>		
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	<p>pandemic recovery will demand that we continue to closely monitor data and trends to ensure that we can make timely and well informed decisions.</p>		
<p><u>Housing supply</u></p> <p>Limited housing supply in all areas and all tenures is a key risk for the Councils in terms of both discharging its statutory duty to prevent homelessness and support those at risk, as well as placing critical budgetary pressures on the Councils. Managing this demand is challenging and places additional capacity pressures on the operational teams.</p> <p>Emergency/Temporary Accommodation - the lack of EA/TA supply at LHA rates means that the Councils are paying for costly B&B accommodation whilst assessing customers for statutory obligations.</p> <p>The lack of move on accommodation at LHA rates means there are blockages in TA</p> <p>The lack of suitable/affordable private sector rented accommodation is placing more pressure on the Councils in terms of demand and budgets.</p> <p>Planning applications are subject to an increasing level of scrutiny, including both the level of affordable housing and the tenure mix.</p>	<p>May 2020</p> <p>EA/TA</p> <ul style="list-style-type: none"> • ADC was underspent on its EA/TA budget in 19/20 and WBC was on target. COVID-19 has created significant pressure in Worthing with a doubling of numbers and a smaller rise in Adur resulting in relation to EA/TA demand and cost in 20/21:- • Costs of the arrangement with the Chatsworth Hotel in Worthing to accommodate those that have been rough sleeping and insecurely housed. • Associated ASB issues as a result of the challenges of accommodating single people with complex needs • Increase in EA/TA demand likely to continue due to challenges with move on and lifting of restriction on evictions by landlords. • Increase is also likely to continue into the winter months and will impact on how the night shelter is delivered in line with covid19 restrictions given the constraints around social isolation. • Increase waiting time for housing advice and casework • More long term lease arrangements are being explored with 2 new ones in the pipeline. • A new campaign to attract more private sector properties to the Opening Door Scheme is being planned, with 13 signed up to the scheme in the last 2 months • Completion of Downview phase 1 (9 flats) is due this month. Build contracts for phase 2 (8 flats) have been signed with start on site forecast for early summer. • Rowlands Road (19 flats) build contracts are due to be signed this month with a start on site due shortly after. 	Major	Very Likely

	<p>Other</p> <ul style="list-style-type: none"> • The contractor for Cecil Norris House has re-mobilised following site shutdown due to Covid-19. Site is not currently at full capacity due to social distancing measures. • A preferred bidder has been selected on Albion St in order to achieve a fixed contract sum. JSC report was approved in Feb 2020. • JSC report approved in Jan 2020 to commence design work on the delivery of the Adur Homes Small Sites (Hidden Homes) programme. The programme is targeting the delivery of c.10 new sites. • The Council continues to support new applications as per below. Fulbeck and Union Place sites were both submitted for approval in the period. • Work is continuing to help unlock new sites for housing delivery. <p>The adopted Local Plan for Adur has identified key strategic housing sites and planning applications have been submitted to and or approved on the following sites which will deliver a significant level of housing and affordable housing to meet future housing needs:</p> <ul style="list-style-type: none"> • New Monks Farm (600 homes inc. 180 affordable homes) • West Sompting (520 homes inc. 156 affordable homes) • Western Harbour Arm (Free Wharf 540 inc. 162 affordable) <p>To assist the delivery of these sites the Council has worked with the developers and has helped to secure over £20 million additional public sector funding from the LEP and Homes England. The Council has also contracted to sell the Civic Centre site to a Registered Provider to deliver 170 affordable homes on the site of the former Council offices.</p> <p>The emerging Local Plan for Worthing is looking at allocating key green and brownfield sites to help increase the level of housing to help meet future housing needs. The Council has also been active to secure LEP and Homes England funding (over 15 million) to help deliver the</p>		
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	<p>following brownfield sites and ensure the delivery of affordable housing:</p> <ul style="list-style-type: none"> • Teville Gate • Union Place • Grafton <p>In addition, in view of the Council's housing need Worthing Council has agreed to bring forward two greenfield sites in advance of the Local Plan (West Durrington (Phase II) and Fulbeck Avenue). These two sites have the potential to bring forward 400 new homes including 120 affordable homes.</p> <p>Worthing is also reviewing its Community Infrastructure Levy in view of concerns that it is affecting the delivery of affordable housing on brownfield sites.</p>		
<p><u>IT Disaster recovery</u></p> <p>Hosting applications locally carries increasing risks given the pace of technological change. As for most councils, we have limited resilience in the team, and too much dependence on key personnel. Our data centre cannot be sufficiently protected from physical threats.</p>	<p>May 2020</p> <p>Covid-19 impact</p> <p>Rapid response to home working in response to Covid-19 has tested resilience and business continuity. Overall transition has gone very well and Councils are reviewing where further improvements are needed.</p> <p>Work continues to migrate services to the cloud, and out of the Town Hall data centre, providing in-built and often seamless disaster recovery services. The councils' strategy to adopt Google services and its cloud based low code platform among other modern technologies has served us well in the crisis.</p>	Extreme	Moderate
<p><u>Major Projects delivery</u></p> <p>Unlocking major development can be complex and take some time to deliver. The successful</p>	<p>May 2020</p> <p>Covid-19 impact - Covid19 impact will add a degree of uncertainty to the property market but the extent of this is not known at this stage.</p>	Major	Likely

<p>delivery of a major scheme will often depend on economic conditions over an extended period.</p> <p>.</p>	<p>The Councils have embarked on an ambitious programme of development that makes the best use of their existing assets and commits to forming effective partnerships with other landowners and investors. This will help to 'de-risk' projects and create the right conditions for development to take place. For example, Worthing Borough Council has entered into a Land Pooling Agreement to help de-risk the development of Union Place and secure access to the agencies and skills necessary to deliver. A different approach has been taken on the former Aquarena site and Former Adur Civic Centre Site where the site's disposal was favoured as the best route to deliver new homes and regeneration. Direct delivery was the favoured development approach in the construction of Focus House in Shoreham.</p> <p>Both Councils have used Local Growth Fund monies to deliver the necessary infrastructure to support development. The councils have also played a pro-active role in supporting Coast to Capital in the development of a Strategic Economic Plan to ensure that their priorities for the development of major projects are represented and therefore, more likely to benefit from future public funding in the future.</p> <p>The councils have provided clear and unambiguous signals to the development sector about their intentions and commitment to deliver. A dedicated team has been established to manage the major projects and capital budgets adjusted to reflect the priority attached to this work. Regular monitoring of progress provides oversight and formal reporting to the relevant executive councillors; internal project groups and formal Committee meetings take place to oversee progress.</p>		
<p><u>Climate Emergency</u> Climate Emergency</p> <p>Council response to the Climate Emergency needs to be threefold;</p>	<p>May 2020</p> <p>Next steps</p> <ul style="list-style-type: none"> Establish the new Carbon Reduction Team September 2020 	Major	Likely

<p>1) Mitigating climate change Through reducing greenhouse gas emissions from council activities, working towards the carbon neutral target made as part of the Climate Emergency Declaration, and through working towards 100% clean energy for Adur & Worthing under the UK100 Cities Pledge.</p> <p>2) Adapting to climate change; By working across the council services and estate and with local stakeholders and partners to provide environmental resilience across Adur and Worthing and the South East. Measures required include</p> <ul style="list-style-type: none"> • Addressing drought and heatwave planning, addressing urban heat island effect, increasing green infrastructure, addressing wildfire risk. • Preparing for tidal and storm surges, heavy rainfall and wind events, addressing risk of coastal, surface and river flooding through sustainable drainage, natural flood management, coastal defences, flood resilience. • Preparing for extreme cold events. <p>3) Preparing for more frequent extreme climate events and impacts Through emergency planning and developing resilience in the short and long term, and the ability of the council to respond to crisis situations in conjunction with the emergency services and other partners.</p> <ul style="list-style-type: none"> • Preparing for risks of damage to properties and infrastructure as well as risk to public health and safety 	<ul style="list-style-type: none"> • Finalise Feasibility Study for a heat network on the Worthing Civic Quarter Site, and if viability proved, apply to BEIS for funding for commercialisation and build out. • Commence the ERDF funded LoCase project 2020-23 halving emissions from Worthing Town Hall and Portland House subject to award of finance. • Progress Options for investment in a large scale Renewable Energy scheme. • Progress options for an offsetting/sequestration programme following AECOM options paper with stakeholders. • Smarthubs programme will, subject to Stage Gate 1.1 approval, commence programme of smart energy installations across Adur and Worthing 2020-22 • Continuing to explore Kelp project which could reduce height of storm surges and tidal influence on the shore line by 70% • Ongoing exploration of opportunities on council owned land for climate adaptation schemes • Develop a cross sectoral Climate Partnership for Adur & Worthing • Develop a Climate Emergency Plan for Adur & Worthing following the Climate Assembly. <p>Covid-19 impact - Covid19 has created 3-6 month delays to the following projects</p> <ul style="list-style-type: none"> • Delivery of the Adur & Worthing Citizens Assembly • iUK funded Smarthubs programme • LoCase - consideration of the funding bid by HCLF & EU • Further engagement with community, business and partners on the creation of a cross sector Climate Partnership with TTW and WCAN following Zero 2030 the climate conference • Anthesis: SCATTER study for Adur & Worthing to become carbon neutral by 2050 (2m delay) 		
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<ul style="list-style-type: none"> from extreme weather events. Developing resilience in local food, transport, energy and water systems and the built environment. Lobbying government for a more robust approach to the multiple threats of climate change. 			
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Communities Directorate High Service

Risks and Projects

Housing

<u>Risk</u>	<u>Potential Effect</u>	<u>Internal Controls</u>	<u>Risk Impact</u>	<u>Risk Likelihood</u>
1. Compliance - Fire, Gas, electrical and water quality (Adur Homes)	<p>1. Death/injury/illness.</p> <ul style="list-style-type: none"> - Fire/safety related; - water borne disease (legionella) <p>2. Potential legal action and-or claims.</p> <ul style="list-style-type: none"> - Legal action against accountable staff (up to Head of paid Service) - compensation and or other claims for injury etc <p>3. Financial risk</p> <ul style="list-style-type: none"> -Of managing service failure and loss of accommodation <p>4. Reputational risk</p> <ul style="list-style-type: none"> -see above <p>5. Loss of use of premises and personal impact to tenants as well as operational and financial risk to councils</p> <ul style="list-style-type: none"> - see above 	<p>May 2020 - Covid-19 implications -</p> <p>Works required are being undertaken as required with 130 done in the first week of May. At this time there are 19 outstanding due to a combination of issues. Some are due to tenants not allowing access because they are isolating due to COVID-19. The Councils have made appointments with tenants for when they end isolation. Others are because tenants have either passed away, are hospitalised or have refused to respond. Councils have undertaken cold calls where tenants have refused to respond and are treating these as tenancy breaches. Detailed records of all actions taken are being kept as required by law and government guidance.</p> <p>Capital Investment works - Fire Safety</p> <p>Risk manager has been appointed and she is overseeing the completion of all Fire Risk</p>	Extreme	Moderate

	<p>6. Court judgement relating to BSW case. Judge found in favour of contractor and Council requested to make a fee. Wider impact risk now because two other contracts awaiting adjudication.</p> <p>1-5 Can result from a failure to comply with regulatory standards around Fire/Gas/Electrical and Water Safety and/or implement action plans agreed with WSFR and other bodies.</p>	<p>Assessments across HRA properties. All actions and remedial works emanating from these assessments are being categorised and prioritised.</p> <p>Contracts for fire safety remedial works and upgrade to community alarm to sheltered housing was awarded and ready to commence but had to be put on hold in March as sheltered housing residents fall within the most vulnerable group and hence recommended to isolate for 12 weeks.</p> <p>A tender process has been completed and a contract will be awarded to complete the works identified from the fire risk assessments to general needs blocks and flats.</p> <p>Southern Fire Doors have furloughed staff and closed for business. This has caused a delay to the planned fire resistance test of the doors. The closure will impact on delivery timescales for the doors with commencement planned for 06/07/2020.</p> <p>Engagement with leaseholders to identify and support them to bring their doors into compliance with the current legislation, is also ongoing.</p> <p>Work to install Smoke Alarms in flats without adequate smoke alarms have been paused due to COVID-19. As an interim measure flats where works have not taken</p>		
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		<p>place are being given battery power smoke alarms and supported to install them.</p> <p>Fire Safety Policy reviewed and updated</p> <p>Quarterly meetings being held with WSFRS.</p> <p>Water tanks are now inspected and a plan in place to replace them when necessary.</p> <p>Gas safety monitoring and compliance at 99.7%. New contract has been implemented.</p>		
2. Rising costs of emergency and temporary accommodation	<p>Increased pressure on general funds</p> <p>Councils have to spend money on expensive B&B type accommodation.</p> <p>COVID-19 pressures have been significant and there have been additional placements into emergency accommodation in March and April. This has put significant pressure on EA/TA budgets, which is likely to continue during and beyond the COVID-19 restrictions as moving placements on will present a challenge.</p>	<p>May 2020 update- Efforts continue to reduce the cost of nightly paid accommodation and prevent homelessness as early as possible. 2 new long term leases are about to be agreed and Downview Phase 1 (which was purchased by WBC) will be ready for occupation in the summer. Contracts to commence work on Phase 2 and Rowlands Road (WBC) and Albion Street (ADC), which will all provide useful TA units are about to be signed. Opening Doors – scheme now has had a number of new landlords signing up, allowing households to either move households on from TA or to avoid going into TA.</p> <p>Significant TA placement has resulted from COVID-19 particularly single people. As part of the next steps, those unlikely to be owed long term housing obligation will be</p>	Major	Very Likely

		given advice and support to find alternative accommodation to reduce the number of households in TA.		
3. Overall Risk of increasing demand for housing advice and homelessness applications	<p>Impact on front line service delivery for customer services in terms of Contact Centre and front line services from Portland House.</p> <p>Increased waiting time for housing advice and casework.</p> <p>Increased costs of temporary and emergency accommodation.</p> <p>Increased competition for limited affordable housing supply.</p> <p>Risk of not meeting legal obligations of the new Homelessness Reduction Act 2017</p> <p>Covid-19 impact has caused the demand to increase significantly.</p>	<p>Triage system implemented to provide advice and guidance at the earliest opportunity to reduce presentations as homeless.</p> <p>Create more housing options for those at risk of homelessness via the housing solutions officer dedicated to seeking private sector accommodation</p> <p>Early identification of potentially vulnerable individuals and families to the development of multi agency pathways eg hospital discharge and care leavers. Better joint working with agencies to prevent crisis presentations.</p> <p>Improving Communication and digital offer to increase customer self service and understanding of alternatives with the aim to reduce administration and officer time processing applications.</p> <p>Working with partners across sussex in Sussex Home-Move Partnership to implement the new Home Connections System Better recording and case management.</p> <p>Improve the Housing Team performance.</p>	Major	Very Likely

		<p>Trialling different methods of assessing people's needs.</p> <p>Capacity of Portland House being assessed.</p> <p>Service redesign - This has created 3 additional officer posts to provide advice.</p>		
<p>4. Housing Revenue Account - Financial sustainability as a result of Rent Reduction Policy and Rent collection levels - Impact on budget and service provision</p>	<p>1. Financial</p> <ul style="list-style-type: none"> -Reduced ability to Invest in capital expenditure to maintain buildings and properties and new homes <p>2. Operational</p> <ul style="list-style-type: none"> - Limited ability to deliver good quality services and meet customer need -Ability to cover day to day repairs and maintenance <p>3. Business Sustainability/failure</p> <ul style="list-style-type: none"> -deficit budgets set for forthcoming years, any further uncertainty could result in business failure <p>Background - Until 2020 the Government requires all social housing providers to reduce their rents by 1% each year.</p> <p>This creates a financial pressure over the next 3 years.(£0.68m in 2018/19 and by 2020/21 this will have increased to £1,944,000)</p> <p>Arrears level is running at 3.19% (£452,202). Good practice benchmark is 1%.</p> <p>Loss of income to the HRA.</p> <p>Use of reserves.</p> <p>Covid-19 impact - rent arrears are expected to be higher.</p>	<p>30 year business plan shows the potential to outlive the issues highlighted if the service is able to raise rents post 2020</p> <p>Reviewing what services we offer with the budget available.</p> <p>Prudent management of revenue budget</p> <p>AH Improvement Plan focuses on reducing rent arrears and being monitored monthly by the Head of Service and Operations Manager.</p> <p>Engagement with Wellbeing and Housing Solutions staff to promote budgeting and financial inclusion strategies.</p> <p>Income streams review taking place.</p> <p>Planning to increase rent by 2.7% in the next Financial Year and for next years there will be increases at CPI plus 1%.</p>	Major	Likely

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Digital & Resources Directorate High Service

Risks and Projects

Financial Services

<u>Risk</u>	<u>Potential Effect</u>	<u>Internal Controls</u>	<u>Impact</u>	<u>Likelihood</u>
Risk to overall financial position - Known areas of risk within the budget eg Income from demand led services, outcomes of job evaluation, Pay award higher than assumed.	1. Go over budget 2. Do not have resources to meet priorities. Covid 19 will have a significant impact on the Council's budgets both in 2020/21 and in future years. Full extent of the impact is currently being assessed.	Covid-19 - Developing a new strategy to help address the financial implications of the Covid-19 emergency. Council holds reserves to manage the risk of lost income. Where a service has been identified as being at risk a close monitoring regime is put in place. The enhanced monitoring for CLT for areas of commercial risk is continuing. . Proactive control of discretionary spend implemented to help resolve areas of overspend within the budget. New budget management strategy in place to build reserves and to better manage risks.	Major	Likely

<p>Future spending requirements are under-estimated - Budgets are insufficient to fund core costs leading to an overspend</p>	<p>Budgets are insufficient to fund core costs leading to an overspend.</p> <p>Covid-19 having a significant impact on the future cost of services. Budgets are currently insufficient to fund costs and an overspend is expected for 2020/21.</p>	<p>Closely monitor progress through Budget/ Performance Monitoring. • Where issues are identified build into budget for the following year.</p> <p>Proactive management of discretionary budgets to manage in year pressures.</p> <p>Annual savings and budget exercise undertaken to reset budget and deal with areas of high pressure.</p> <p>Staffing budgets are very carefully controlled.</p> <p>Rigorous process for establishing new posts. Other staffing controls – recruitment and selection. Controlling vacancy filling and monitoring against targets.</p> <p>Deferral of expenditure where possible to help mitigate the current financial position.</p>	Major	Likely
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Future resources from Government are less than assumed	Budget shortfall is understated leading to a greater level of savings. Particular issue in 21/22 Financial Year is likely due to fairer funding review.	<p>Lobby Government for an appropriate resource distribution. • Take action to reduce the overall cost of services or increase income where possible.</p> <p>Government has moved to a 4 year settlement which gives the Councils greater certainty about grant levels.</p> <p>Councils have responded to new Business Rate retention scheme proposals.</p> <p>Councils have responded to the fairer funding review consultation.</p> <p>Councils have responded to the Local Government settlement consultation</p> <p>Councils have received a 1 year settlement for 2020/2021. Awaiting outcome of fairer funding review.</p>	Major	Likely
General risk of not finding significant budget savings from both Councils.	Impact on ability to balance the budget to deliver the Corporate Priorities and priority services.	<p>Sufficient savings have been identified for 2020/21. Risk is now in the 2021/22 Financial Year.</p> <p>Introduced Medium Term Financial Plan Tracker to check savings over 3 years.</p>	Major	Likely

Economy Directorate High Service Risks

Major Projects & Investment

<u>Risk</u>	<u>Potential Effect</u>	<u>Internal Controls</u>	<u>Impact</u>	<u>Likelihood</u>
<p>Estates Income - Risk that the Councils fail to meet property income targets which affects the Councils funds.</p> <p>(Need to actively manage the properties as assets and reduce void and ensure effective maintenance.)</p>	<p>Councils income is reduced.</p> <p>Covid-19 impact - Impact of Covid19 lockdown has had a significant effect on the operation of tenants of the Council. While each of the investment portfolios has performed very well for the March quarter date, the June date is more likely to be adversely affected.</p> <p>Long term impact as tenant and consumer behaviour is changed as a result of Covid19.</p>	<p>Property income is monitored every month and a rental income spreadsheet is updated each month as well which helps keep an eye on the income against the budgets.</p> <p>The Council has set up a strategic asset management board to look at scope to purchase additional land/buildings as investment opportunities increase revenue income.</p> <p>Adoption of a joint investment strategy to govern purchase of properties for income generation.</p> <p>Monitoring and reviewing changes to government policy which affect LA ability to borrow for investment purposes.</p> <p>Strategic Property Investment Fund</p> <p>In terms of the local (in District/Borough estate) these are less geared due to a lack of historic debt and the fall in income is likely to be covered through planned void allowances within budgets which has mitigated the impact on the Council's revenue position.</p>	Major	Likely

Shoreham Airport - Airport as a regional airport has limited demand and there is potential it might cease to operate.	The airport's contribution to the area economy will end and it will diminish Shoreham's distinctive sense of place.	WBC and BHCC are working together to finalise a new lease which in turn should assist the airport to emerge from administration. Planning approval secured for business development on a site allocated in the Adur Local Plan to secure long term income streams necessary to improve the long-term financial stability of the airport operation. Council Place and Economy team have been offering specialist support to navigate the Governments business loan and grants systems.	Major	Likely
<u>Leisure</u>				
Leisure provision - Covid-19	As a result of the Covid-19 pandemic, the local leisure providers cease trading or suffer severe financial impact which curtails their ability to provide a service.	Appointment of consultants to work in partnership with the leisure providers on a financial strategy designed to enhance their prospects for delivering leisure services. This will result in options being worked up in partnership with others.	Major	Likely



ADUR & WORTHING
COUNCILS

Joint Governance Committee
28 May 2020
Agenda Item 11

Ward(s) Affected: N/A

Local Government Ombudsman Monitoring Report

Report by the Director for Digital & Resources

Executive Summary

1. Purpose

- 1.1 This report reviews the Annual Review letters of the Local Government Ombudsman (LGO) relating to Adur District Council and Worthing Borough Council for the year ended 31 March 2019.

2. Recommendations

- 2.1 That the Committee note the contents of the report.

3. Context

- 3.1 The Commission for Local Administration in England was created by Part 3 of the Local Government Act 1974 to run the Local Government Ombudsman Service.
- 3.2 The Local Government Ombudsman investigates complaints by members of the public who, generally, have had complaints considered by the Local Authority, but still consider that they have been caused injustice by the administrative actions of Local Authorities and other bodies within the jurisdiction of the LGO.

- 3.3 The LGO provides a free, independent and impartial service. When they receive a complaint they are on the side of neither the complainant nor the respondent Authority. In each case, they investigate whether there has been any administrative fault that has caused a personal injustice to the complainant.
- 3.4 If the LGO finds that something has gone wrong and that a person has suffered as a consequence, they aim to get it put right with a satisfactory remedy. The remedy will depend on the circumstances of the complaint and, in some cases, the Authority will be asked to pay compensation.

4. LGO Annual Review Letters 2018/19

- 4.1 The LGO received 11 complaints and enquiries about Adur District Council for the year ended 31 March 2019 compared with 15 for the year ended 31 March 2018. A copy of the LGO's letter is appended to the report as Appendix 1.
- 4.2 Members have historically asked to have comparative information and Table 1 provides the total number of complaints and enquiries received by the Local Government Ombudsman in relation to Adur District Council over the past 8 years. These are fairly consistent ranging from 9 - 15.

Table 1

Enquiries and Complaints received	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total	11	12	11	9	11	9	15	11

- 4.3 During this period the LGO made 10 decisions on those complaints/enquiries about **Adur District Council**. Advice was given for 2 complaints/enquiries, 2 were referred back to the Council for local resolution, 5 were closed after initial enquiries and 1 was not upheld. 6 of the complaints/enquiries were regarding Housing issues, 3 were regarding Planning & Development issues, 1 related to Benefits and Tax issues and 1 related to Environmental Services.
- 4.4 The LGO received 16 complaints and enquiries about **Worthing Borough Council** for the year ended 31 March 2019 compared with 11 for the year ended 31 March 2018. A copy of the LGO's letter is appended to the report as Appendix 2. The LGO made 15 decisions regarding the complaints/enquiries received, 3 were referred back for local resolution, 6 were closed after initial enquiries, 2 were not upheld and 4 were upheld. 5 of the complaints/enquiries related to Benefits and Tax issues, 3 were regarding Environmental Services, 1 related to Highways and Transport, 4 were regarding Housing and 3 related to Planning and Development. The upheld complaints related to:-

- **Complaint Ref No:17016533** - Complaint about the way the Council dealt with a homelessness application. The LGO considered that the Council was at fault in not keeping the complainant properly informed about progress, failing to provide information about the housing register and not providing a formal response at Stage 2 of its complaints procedure. The LGO considered that the Council's actions of providing information and an apology were enough to remedy the complainants injustice.
- **Complaint Ref No: 17016801** - The Council wrongly told the complainant to stay in private rented accommodation which meant that the complainant incurred costs from a possession order. It also took too long to make a homelessness decision and delayed the complainants right to request a suitability review of the temporary accommodation. The remedy was for the Council to apologise for the time, trouble and distress which the complainant experienced, pay the complainant the possession order fees of £424.50 and backdate the housing register application. The Council complied with the LGO recommendations.
- **Complaint Ref No: 18009587** - This was a complaint about the way the Council dealt with a council tax account and the recovery action it took in respect of the claimed debt. The LGO found that there was fault by the Council in failing to check address information but, on balance and taking account of the complainants own actions, that the fault did not lead to injustice for the complainant which required remedy.
- **Complaint Ref No: 17014269** - This complaint was about how the Council had dealt with the complainants concerns about a gym in the building where he lives. The LGO found that there was evidence of some fault with how the Council dealt with the planning application for the gym. There was, however, no fault with how it dealt with the complaints about excessive noise and breaches of planning control.

- 4.5 The comparative information relating to Worthing Borough Council is set out in Table 2 below. Complaints and enquiries during these times have ranged from 5 - 24.

Table 2

Enquiries and Complaints received	2011 /12	2012 /13	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/18	2018/19
Total	24	16	18	23	9	5	11	16

- 4.6 Comparative information on upheld complaints across the other District Councils in West Sussex is set out in the table below:-

<u>Local Authority</u>	<u>Number of upheld complaints as a % of investigations</u>
Adur District Council	0 out of 1 investigation (0%)
Arun District Council	6 out of 9 investigations (67%)
Chichester District Council	3 out of 6 investigations (50%)
Crawley Borough Council	2 out of 4 investigations (50%)
Horsham District Council	0 out of 1 investigation (0%)
Mid Sussex District Council	1 out of 3 investigations (33%)
Worthing Borough Council	4 out of 6 investigations (67%)

- 4.7 In 2018/19 the LGO upheld an average of 43% of complaints which it investigated in similar Authorities across England.
- 4.8 For this year, the LGO has also introduced a new performance measure which provides new statistics about Local Authority compliance with LGO recommendations. This change has been made to enable the LGO to monitor the implementation of its recommendations to remedy any fault found. In 2018/19 there were no complaints for Adur where a response or failure to respond to the recommended remedy was recorded. However, for Worthing there were 5 complaints where a response or failure to respond to the recommended remedy was recorded and the Council complied with 3 of the recommendations on time but 2 of the recommendations the Council complied with late.

5. Issues for consideration

- 5.1 In line with its role as a steward of the Constitutional framework and Standards, ethics and probity monitoring, the Committee is requested to note and review the analysis of complaints received by the Local Government Ombudsman during 2018/19 as set out in this report and detailed in the Annual Review letters.

6. Engagement and Communication

- 6.1 The decisions of the Local Government Ombudsman are communicated to relevant Services as well as any requests for the Councils to undertake any follow up actions.

7. Financial Implications

- 7.1 There are no direct financial implications arising from this report but the upheld complaints may have involved some financial implications, with the payment of some compensation.

8. Legal Implications

- 8.1 The role of the Local Government Ombudsman is governed by Part 3 of the Local Government Act 1974.
- 8.2 Section 111 of the Local Government Act 1972 allows the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

Background Papers

Adur District Council Annual Review letter from Local Government and Social Care Ombudsman - July 2019

Worthing Borough Council Annual Review letter from Local Government and Social Care Ombudsman - July 2019

Officer Contact Details:-

Mark Lowe

Scrutiny & Risk Officer

Tel:01903 221009

mark.lowe@adur-worthing.gov.uk

Sustainability & Risk Assessment

1. Economic

Matter considered and no issues identified.

2. Social

2.1 Social Value

Matter considered and no issues identified.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified.

4. Governance

Matter considered. Commitment to develop customer intelligence and insight function. Analysis of LGO complaints will help in this process. Responding to Local Government Ombudsman investigations in a timely and open manner assists the Councils to improve their service, service delivery and reputation. Outcomes from Local Government Ombudsman investigations can impact on the Councils' reputation.

Local Government & Social Care OMBUDSMAN

24 July 2019

By email

Alex Bailey
Chief Executive
Adur District Council

Dear Mr Bailey

Annual Review letter 2019

I write to you with our annual summary of statistics on the complaints made to the Local Government and Social Care Ombudsman about your authority for the year ending 31 March 2019. The enclosed tables present the number of complaints and enquiries received about your authority, the decisions we made, and your authority's compliance with recommendations during the period. I hope this information will prove helpful in assessing your authority's performance in handling complaints.

Complaint statistics

As ever, I would stress that the number of complaints, taken alone, is not necessarily a reliable indicator of an authority's performance. The volume of complaints should be considered alongside the uphold rate (how often we found fault when we investigated a complaint), and alongside statistics that indicate your authority's willingness to accept fault and put things right when they go wrong. We also provide a figure for the number of cases where your authority provided a satisfactory remedy before the complaint reached us, and new statistics about your authority's compliance with recommendations we have made; both of which offer a more comprehensive and insightful view of your authority's approach to complaint handling.

The new statistics on compliance are the result of a series of changes we have made to how we make and monitor our recommendations to remedy the fault we find. Our recommendations are specific and often include a time-frame for completion, allowing us to follow up with authorities and seek evidence that recommendations have been implemented. These changes mean we can provide these new statistics about your authority's compliance with our recommendations.

I want to emphasise the statistics in this letter reflect the data we hold and may not necessarily align with the data your authority holds. For example, our numbers include

enquiries from people we signpost back to your authority, some of whom may never contact you.

In line with usual practice, we are publishing our annual data for all authorities on our website, alongside our annual review of local government complaints. For the first time, this includes data on authorities' compliance with our recommendations. This collated data further aids the scrutiny of local services and we encourage you to share learning from the report, which highlights key cases we have investigated during the year.

New interactive data map

In recent years we have been taking steps to move away from a simplistic focus on complaint volumes and instead focus on the lessons learned and the wider improvements we can achieve through our recommendations to improve services for the many. Our ambition is outlined in our [corporate strategy 2018-21](#) and commits us to publishing the outcomes of our investigations and the occasions our recommendations result in improvements for local services.

The result of this work is the launch of an interactive map of council performance on our website later this month. [Your Council's Performance](#) shows annual performance data for all councils in England, with links to our published decision statements, public interest reports, annual letters and information about service improvements that have been agreed by each council. It also highlights those instances where your authority offered a suitable remedy to resolve a complaint before the matter came to us, and your authority's compliance with the recommendations we have made to remedy complaints.

The intention of this new tool is to place a focus on your authority's compliance with investigations. It is a useful snapshot of the service improvement recommendations your authority has agreed to. It also highlights the wider outcomes of our investigations to the public, advocacy and advice organisations, and others who have a role in holding local councils to account.

I hope you, and colleagues, find the map a useful addition to the data we publish. We are the first UK public sector ombudsman scheme to provide compliance data in such a way and believe the launch of this innovative work will lead to improved scrutiny of councils as well as providing increased recognition to the improvements councils have agreed to make following our interventions.

Complaint handling training

We have a well-established and successful training programme supporting local authorities and independent care providers to help improve local complaint handling. In 2018-19 we delivered 71 courses, training more than 900 people, including our first 'open courses' in Effective Complaint Handling for local authorities. Due to their popularity we are running six more open courses for local authorities in 2019-20, in York, Manchester, Coventry and London. To find out more visit www.lgo.org.uk/training.

Finally, I am conscious of the resource pressures that many authorities are working within, and which are often the context for the problems that we investigate. In response to that situation we have published a significant piece of research this year looking at some of the

common issues we are finding as a result of change and budget constraints. Called, [Under Pressure](#), this report provides a contribution to the debate about how local government can navigate the unprecedented changes affecting the sector. I commend this to you, along with our revised guidance on [Good Administrative Practice](#). I hope that together these are a timely reminder of the value of getting the basics right at a time of great change.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'MK' followed by a stylized flourish.

Michael King
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

Local Authority Report: Adur District Council
For the Period Ending: 31/03/2019

For further information on how to interpret our statistics, please visit our [website](#)

Complaints and enquiries received

Adult Care Services	Benefits and Tax	Corporate and Other Services	Education and Children's Services	Environment Services	Highways and Transport	Housing	Planning and Development	Other	Total
0	1	0	0	1	0	6	3	0	11

Decisions made

				Detailed Investigations			
Incomplete or Invalid	Advice Given	Referred back for Local Resolution	Closed After Initial Enquiries	Not Upheld	Upheld	Uphold Rate (%)	Total
0	2	2	5	1	0	0	10
Note: The uphold rate shows how often we found evidence of fault. It is expressed as a percentage of the total number of detailed investigations we completed.							

Satisfactory remedy provided by authority

Upheld cases where the authority had provided a satisfactory remedy before the complaint reached the Ombudsman	% of upheld cases
0	0
Note: These are the cases in which we decided that, while the authority did get things wrong, it offered a satisfactory way to resolve it before the complaint came to us.	

Compliance with Ombudsman recommendations

Complaints where compliance with the recommended remedy was recorded during the year*	Complaints where the authority complied with our recommendations on-time	Complaints where the authority complied with our recommendations late	Complaints where the authority has not complied with our recommendations	
0	0	0	0	Number
	0%		-	Compliance rate**
Notes: * This is the number of complaints where we have recorded a response (or failure to respond) to our recommendation for a remedy during the reporting year. This includes complaints that may have been decided in the preceding year but where the data for compliance falls within the current reporting year. ** The compliance rate is based on the number of complaints where the authority has provided evidence of their compliance with our recommendations to remedy a fault. This includes instances where an authority has accepted and implemented our recommendation but provided late evidence of that.				

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We now more closely monitor authorities' compliance with the recommendations we make to remedy the fault we find, and it is pleasing that we recorded our satisfaction with five complaints against your Council. I welcome the fact that the Council accepted our recommendations and agreed to provide the proposed remedies. However, despite this agreement, two of the agreed remedies were not completed within the requested timescale. While I appreciate the pressures local authorities are under, delays in implementing remedies will naturally add to complainants' injustice and prevents my office from conducting its work in an efficient manner. I would ask the Council to reflect on the way it implements our remedies, with a view to reducing any avoidable delay in the process.

New interactive data map

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I hope you, and colleagues, find the map a useful addition to the data we publish. We are the first UK public sector ombudsman scheme to provide compliance data in such a way and believe the launch of this innovative work will lead to improved scrutiny of councils as well as providing increased recognition to the improvements councils have agreed to make following our interventions.

Complaint handling training

We have a well-established and successful training programme supporting local authorities and independent care providers to help improve local complaint handling. In 2018-19 we delivered 71 courses, training more than 900 people, including our first 'open courses' in Effective Complaint Handling for local authorities. Due to their popularity we are running six more open courses for local authorities in 2019-20, in York, Manchester, Coventry and London. To find out more visit www.lgo.org.uk/training.

Finally, I am conscious of the resource pressures that many authorities are working within, and which are often the context for the problems that we investigate. In response to that situation we have published a significant piece of research this year looking at some of the common issues we are finding as a result of change and budget constraints. Called, [Under Pressure](#), this report provides a contribution to the debate about how local government can navigate the unprecedented changes affecting the sector. I commend this to you, along with our revised guidance on [Good Administrative Practice](#). I hope that together these are a timely reminder of the value of getting the basics right at a time of great change.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'MK' with a stylized flourish underneath.

Michael King
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

Local Authority Report: Worthing Borough Council

For the Period Ending: 31/03/2019

For further information on how to interpret our statistics, please visit our [website](#)

Complaints and enquiries received

Adult Care Services	Benefits and Tax	Corporate and Other Services	Education and Children's Services	Environment Services	Highways and Transport	Housing	Planning and Development	Other	Total
0	5	0	0	3	1	4	3	0	16

Decisions made

				Detailed Investigations			
Incomplete or Invalid	Advice Given	Referred back for Local Resolution	Closed After Initial Enquiries	Not Upheld	Upheld	Uphold Rate (%)	Total
0	0	3	6	2	4	67	15
Note: The uphold rate shows how often we found evidence of fault. It is expressed as a percentage of the total number of detailed investigations we completed.							

Satisfactory remedy provided by authority

Upheld cases where the authority had provided a satisfactory remedy before the complaint reached the Ombudsman	% of upheld cases
0	0
Note: These are the cases in which we decided that, while the authority did get things wrong, it offered a satisfactory way to resolve it before the complaint came to us.	

Compliance with Ombudsman recommendations

Complaints where compliance with the recommended remedy was recorded during the year*	Complaints where the authority complied with our recommendations on-time	Complaints where the authority complied with our recommendations late	Complaints where the authority has not complied with our recommendations	
5	3	2	0	Number
	100%		-	Compliance rate**
Notes: * This is the number of complaints where we have recorded a response (or failure to respond) to our recommendation for a remedy during the reporting year. This includes complaints that may have been decided in the preceding year but where the data for compliance falls within the current reporting year. ** The compliance rate is based on the number of complaints where the authority has provided evidence of their compliance with our recommendations to remedy a fault. This includes instances where an authority has accepted and implemented our recommendation but provided late evidence of that.				

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ADUR & WORTHING
COUNCILS

Joint Governance Committee
28 May 2020
Agenda Item 12

Ward(s) Affected: All

Update of the CCTV Policy

Report by the Director for Digital & Resources

Executive Summary

1. Purpose

- To update the Adur & Worthing Councils' CCTV Policy and make it compliant with the current legislation and guidance.
- To ensure compliance with data protection legislation and to ensure that good operational arrangements are in place.

2. Recommendations

2.1 That the Joint Governance Committee, on behalf of the Councils, reviews and approves the CCTV (Closed Circuit Television) Policy v2.0

3. Context

- The CCTV (Closed Circuit Television) Policy v1.0 was reviewed and approved by the Joint Governance Committee on 28/11/17.
- Since then the Data Protection Act 1998 was repealed and replaced by the Data Protection Act 2018 and the General Data Protection Regulation.
- The Surveillance Camera Commissioner's and Information Commissioner's guidance was also updated.

4. Issues for consideration

- No new obligations are introduced by the updated Policy, apart from the requirement to conduct a Data Protection Impact Assessment using the Surveillance Camera Commissioner's standard templates.

5. Engagement and Communication

- No internal or external engagement.

6. Financial Implications

- There are no specific financial implications arising from this report.

7. Legal Implications

- Policy reviewed and agreed by Legal Officer.
- The processing of personal data must comply with the Data Protection Act 2018 and the General Data Protection Regulation.
- The Joint ADC and WBC Surveillance Policy and Procedure is a separate policy covering covert surveillance and governed by the Regulation of Investigatory Powers Act 2000. It is maintained by the Councils' Monitoring Officer in Legal Services.

Background Papers

- Draft CCTV (Closed Circuit Television) Policy v2.0 (attached below)
- [The CCTV \(Closed Circuit Television\) Policy v1.0](#)
- [Joint Governance Committee 28 November 2017 - Item 9 - CCTV Policy](#)

Officer Contact Details:-

Marina Koltsova

Senior Information Governance Officer

01903221251

marina.koltsova@adur-worthing.gov.uk

Sustainability & Risk Assessment

1. Economic

- Matter considered and no issues identified.

2. Social

2.1 Social Value

- It ensures that data protection and individuals' information rights are taken into consideration when CCTV is used by the Councils.

2.2 Equality Issues

- Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

- It enables usage of CCTV for community safety purposes that is compliant with the data protection legislation.

2.4 Human Rights Issues

- This Policy is intended to ensure that human rights, the right to privacy in particular, are considered prior to and during the operation of CCTV. The appropriate use of Data Protection Impact Assessments and CCTV self assessments would demonstrate the Councils' compliance with human rights.

3. Environmental

- Matter considered and no issues identified.

4. Governance

- Matter considered and no issues identified.

Closed Circuit Television (CCTV) Policy

Date	Version number	Changes
28/11/17	1.0	Approved by Joint Governance Committee
	2.0 DRAFT	

1. Introduction

Images recorded by surveillance systems identifying a living individual are personal data which must be processed in accordance with data protection laws. This policy is in place to ensure that Adur District Council and Worthing Borough Council (“the Council”) complies fully with its legal obligations under the Data Protection Act 2018 (DPA) and General Data Protection Regulation (GDPR).

2. Purpose and scope

This policy details the good practice standards recognised by the Information Commissioner’s Office and the Surveillance Camera Commissioner which must be adhered to for operating CCTV.

The [Information Commissioner's Office](#) (ICO) is responsible for administering the provisions of the DPA and GDPR and has powers to take legal action and fines against organisations found to be acting unlawfully.

The [Surveillance Camera Commissioner](#) (SCC) was created under the Protection of Freedoms Act 2012 (POFA) to encourage compliance with the Surveillance Camera Code of Practice. The Councils must have regard to this Code of Practice when implementing surveillance camera systems covered by the Code. See **Appendix A** for the 12 guiding principles contained in the Code of Practice.

This policy document must be read in conjunction with the [SCC The Surveillance Camera Code of Practice](#) and the Council's Data Protection Policy.

By following these provisions the Council will ensure that arrangements are both fair and lawful.

This policy covers the use of camera related surveillance equipment including

- Automatic Number Plate Recognition (ANPR)
- body worn video (BWV);
- unmanned aerial systems (UAS) aka Drones; and
- other systems that capture information of identifiable individuals or information relating to individuals.

Covert surveillance activity is not covered in this policy because this activity is governed by the Regulation of Investigatory Powers Act 2000. This type of recording is

covert and directed at an individual or individuals. See the [Council's' Surveillance Policy and Procedures](#) (available on the Intranet).

This policy covers all employees, officers, consultants and volunteers. This policy may be amended at any time and does not form part of the terms and conditions of any employment or other contract.

3. Deciding when surveillance camera systems should be used

Using surveillance systems can be privacy intrusive. They are capable of placing large numbers of law-abiding people under surveillance and recording their movements as they go about their day-to-day activities.

Careful consideration should be given to whether or not to use a surveillance system. Taking into account the nature of the problem seeking to address; whether a surveillance system would be a justified and an effective solution, whether better solutions exist, what effect its use may have on individuals, and whether in the light of this, its use is a proportionate response to the problem.

Under the GDPR, there is a legal obligation (Article 25) to implement data protection by design and by default. This means integrating data protection concerns into every aspect of the Councils' processing activities.

Under the GDPR Data Protection Impact Assessments (DPIAs) (Ref GDPR Article 35, 36) are mandatory for large scale CCTV monitoring surveillance. These will be conducted in consultation with the Council's Data Protection Officer and, if necessary, the ICO.

The Council will use the SCC's [Data Protection impact assessments for surveillance cameras](#) (Aug 2017), the Surveillance Camera Code of Practice and the ICO's [Data Protection impact assessments](#) guidance for good practice advice when evaluating the use of CCTV.

4. Governance

For each CCTV deployment the lead Council Officer for the project must :

1. Contact the Councils' Data Protection Officer with completed copies of the three documents contained within **Appendix B**.

2. Ensure that the Register of Processing Activity (ROPA - ref GDPR Article 30) is updated where necessary to reflect the new processing.

3. Undertake and maintain records of an annual review of CCTV using the Surveillance Camera Commissioner's self assessment tool.

5. Document Review

This policy will be reviewed annually by the Data Protection Officer.

6. References & Guidance

- [The Surveillance Camera Code of Practice](#)
- [A guide to the 12 principles](#)
- [Steps to complying with the 12 principles](#)
- [Data Protection impact assessment: carrying out a data protection impact assessment on surveillance camera systems\)](#)
- [Self assessment tool: surveillance camera code of practice](#)
- [Recommended standards for the surveillance camera industry](#)

Appendix A - The guiding principles of the Surveillance Camera Code of Practice

[System operators should adopt the following 12 guiding principles:](#)

1. Use of a surveillance camera system must always be for a specified purpose which
is in pursuit of a legitimate aim and necessary to meet an identified pressing need.
2. The use of a surveillance camera system must take into account its effect on individuals and their privacy, with regular reviews to ensure its use remains justified.
3. There must be as much transparency in the use of a surveillance camera system as possible, including a published contact point for access to information and complaints.
4. There must be clear responsibility and accountability for all surveillance camera system activities including images and information collected, held and used.
5. Clear rules, policies and procedures must be in place before a surveillance camera system is used, and these must be communicated to all who need to comply with them.
6. No more images and information should be stored than that which is strictly required for the stated purpose of a surveillance camera system, and such images and information should be deleted once their purposes have been discharged.
7. Access to retained images and information should be restricted and there must be clearly defined rules on who can gain access and for what purpose such access is granted; the disclosure of images and information should only take place when it is necessary for such a purpose or for law enforcement purposes.
8. Surveillance camera system operators should consider any approved operational, technical and competency standards relevant to a system and its purpose and work to meet and maintain those standards.
9. Surveillance camera system images and information should be subject to

appropriate security measures to safeguard against unauthorised access and use.

10. There should be effective review and audit mechanisms to ensure legal requirements, policies and standards are complied with in practice, and regular reports should be published.

11. When the use of a surveillance camera system is in pursuit of a legitimate aim, and there is a pressing need for its use, it should then be used in the most effective way to support public safety and law enforcement with the aim of processing images and information of evidential value.

12. Any information used to support a surveillance camera system which compares against a reference database for matching purposes should be accurate and kept up to date.

Appendix B - [SCC data protection impact assessment templates and guidance](#)



Data protection impact assessments

template for carrying out a data protection impact assessment on surveillance camera systems

Project name:

Data controller(s):

This DPIA template should be completed with reference to the guidance provided by the Surveillance Camera Commissioner and the ICO. It will help you to identify whether the use of surveillance cameras is appropriate for the problem you wish to address, assess the risks attached to your project and form a record of your decision making.

1. Identify why your deployment of surveillance cameras requires a DPIA¹:

- | | |
|---|---|
| <input type="checkbox"/> Systematic & extensive profiling | <input type="checkbox"/> Large scale use of sensitive data |
| <input type="checkbox"/> Public monitoring | <input type="checkbox"/> Innovative technology |
| <input type="checkbox"/> Denial of service | <input type="checkbox"/> Biometrics |
| <input type="checkbox"/> Data matching | <input type="checkbox"/> Invisible processing |
| <input type="checkbox"/> Tracking | <input type="checkbox"/> Targeting children / vulnerable adults |
| <input type="checkbox"/> Risk of harm | <input type="checkbox"/> Special category / criminal offence data |
| <input type="checkbox"/> Automated decision-making | <input type="checkbox"/> Other (please specify) |

2. What are the timescales and status of your surveillance camera deployment? Is this a proposal for a new deployment, or the expansion of an existing surveillance camera system? Which data protection regime will you be processing under (i.e. DPA 2018 or the GDPR)?

Describe the processing

3. Where do you need to use a surveillance camera system and what are you trying to achieve?

Set out the **context** and **purposes** of the proposed surveillance cameras or the reasons for expanding an existing system. Provide evidence, where possible, including for example: crime statistics over an appropriate time period; housing and community issues, etc.

¹

4. Whose personal data will you be processing, and over what area? Set out the **nature** and **scope** of the personal data you will be processing. Who are the data subjects, and what kind of information will you be collecting about them? Do they include children or vulnerable groups, and what is the scale and duration of the processing?

5. Who will be making decisions about the uses of the system and which other parties are likely to be involved? Will you be the sole user of the data being processed or will you be sharing it with other organisations or agencies? Record any other parties you would disclose the data to, for what purposes, and any relevant data sharing agreements. Note that if you are processing for more than one purpose you may need to conduct separate DPIAs.

6. How is information collected? (tick multiple options if necessary)

- | | |
|---|---|
| <input type="checkbox"/> Fixed CCTV (networked) | <input type="checkbox"/> Body Worn Video |
| <input type="checkbox"/> ANPR | <input type="checkbox"/> Unmanned aerial systems (drones) |
| <input type="checkbox"/> Stand-alone cameras | <input type="checkbox"/> Redeployable CCTV |
| <input type="checkbox"/> Other (please specify) | |

7. Set out the information flow, from initial capture to eventual destruction. You may want to insert or attach a diagram. Indicate whether it will include audio data; the form of transmission; the presence of live monitoring or use of watchlists; whether data will be recorded; whether any integrated surveillance technologies such as automatic facial recognition are used; if there is auto deletion after the retention period. You may have additional points to add that affect the assessment.

8. Does the system's technology enable recording?

- ☐ Yes ☐ No

If recording is enabled, state where it is undertaken (no need to stipulate address, just Local Authority CCTV Control room or on-site will suffice for stand-alone camera or BWV), and whether it also enables audio recording.

9. If data is being disclosed, how will this be done?

- ☐ Only by on-site visiting
☐ Copies of footage released (detail method below, e.g. encrypted digital media, via courier, etc)
☐ Off-site from remote server
☐ Other (please specify)
-

10. How is the information used? (tick multiple options if necessary)

- ☐ Monitored in real time to detect and respond to unlawful activities
☐ Monitored in real time to track suspicious persons/activity
☐ Compared with reference data of persons of interest through processing of biometric data, such as facial recognition.
☐ Compared with reference data for vehicles of interest through Automatic Number Plate Recognition software
☐ Linked to sensor technology
☐ Used to search for vulnerable persons
☐ Used to search for wanted persons
☐ Recorded data disclosed to authorised agencies to support post incident investigation, including law enforcement agencies
☐ Recorded data disclosed to authorised agencies to provide intelligence
☐ Other (please specify)
-

Consultation

11. Record the stakeholders and data subjects you have consulted about the deployment, together with the outcomes of your engagement.

Stakeholder consulted	Consultation method	Views raised	Measures taken

Consider necessity and proportionality

12. What is your lawful basis for using the surveillance camera system? Explain the rationale for your chosen lawful basis under the relevant data protection legislation. Consider whether you will be processing special categories of data.

13. How will you inform people that they are under surveillance and ensure that they are provided with relevant information? State what privacy notices will be made available and your approach to making more detailed information available. Consider whether data subjects would reasonably expect to be under surveillance in this context.

14. How will you ensure that the surveillance is limited to its lawful purposes and the minimum data that is necessary for those purposes? Explain the adequacy and relevance of the data you will be processing and how it is limited to the purposes for which the surveillance camera system will be deployed. How will you know if it is delivering the benefits it has been deployed for?

15. How long is data stored? (please state and explain the retention period)

16. Retention Procedure

- ☐ Data automatically deleted after retention period
- ☐ System operator required to initiate deletion
- ☐ Under certain circumstances authorised persons may override the retention period, e.g. retained for prosecution agency (please explain your procedure)

17. How will you ensure the security and integrity of the data? How is the data processed in a manner that ensures appropriate security, protection against unauthorised or unlawful processing and against accidental loss, destruction or damage? What measures do you take to ensure processors comply? How do you safeguard any international transfers?

18. How will you respond to any subject access requests, the exercise of any other rights of data subjects, complaints or requests for information? Explain how you will provide for relevant data subject rights conferred under the legislation. You must have procedures in place to respond to requests for camera footage in which a subject appears, and to respond to any other request to meet data protection rights and obligations.

19. What other less intrusive solutions have been considered? You need to consider other options prior to any decision to use surveillance camera systems. For example, could better lighting or improved physical security measures adequately mitigate the risk? Does the camera operation need to be continuous? Where you have considered alternative approaches, provide your reasons for not relying on them and opting to use surveillance cameras as specified.

20. Is there a written policy specifying the following? (tick multiple boxes if applicable)

☐ The agencies that are granted access

☐ How information is disclosed

☐ How information is handled

Are these procedures made public? ☐ Yes ☐ No

Are there auditing mechanisms? ☐ Yes ☐ No

If so, please specify what is audited and how often (e.g. disclosure, production, accessed, handled, received, stored information)

Identify the risks

Identify and evaluate the inherent risks to the rights and freedoms of individuals relating to this surveillance camera system. Consider, for example, how long will recordings be retained? Will they be shared? What are the expectations of those under surveillance and impact on their behaviour, level of intrusion into their lives, effects on privacy if safeguards are not effective? Could it interfere with other human rights and freedoms such as those of conscience and religion, expression or association. Is there a risk of function creep? Assess both the likelihood and the severity of any impact on individuals.

Describe source of risk and nature of potential impact on individuals. Include associated compliance and corporate risks as necessary.	Likelihood of harm	Severity of harm	Overall risk

	Remote, possible or probable	Minimal, significant or severe	Low, medium or high

Address the risks

Explain how the effects of privacy enhancing techniques and other features mitigate the risks you have identified. For example, have you considered earlier deletion of data or data minimisation processes, has consideration been given to the use of technical measures to limit the acquisition of images, such as privacy masking on cameras that overlook residential properties? What security features, safeguards and training will be in place to reduce any risks to data subjects. Make an assessment of residual levels of risk.

Note that APPENDIX ONE allows you to record mitigations and safeguards particular to specific camera locations and functionality.

Identify additional measures you could take to reduce or eliminate risks identified as medium or high risk

Options to reduce or eliminate risk	Effect on risk	Residual risk	Measure approved?
	Eliminated reduced accepted	Low medium high	Yes/no

Authorisation

If you have not been able to mitigate the risk then you will need to submit the DPIA to the ICO for prior consultation. [Further information](#) is on the ICO website.

Item	Name/date	Notes
Measures approved by:		Integrate actions back into project plan, with date and responsibility for completion.

Residual risks approved by:		If you identify a high risk that you cannot mitigate adequately, you must consult the ICO before starting to capture and process images.
DPO advice provided by:		DPO should advise on compliance and whether processing can proceed.
Summary of DPO advice		
DPO advice accepted or overruled by: (specify role/title)		If overruled, you must explain your reasons.
Comments:		
Consultation responses reviewed by:		If your decision departs from individuals' views, you must explain your reasons.
Comments:		
This DPIA will be kept under review by:		The DPO should also review ongoing compliance with DPIA.

APPENDIX ONE

This template will help you to record the location and scope of your surveillance camera system and the steps you've taken to mitigate risks particular to each location.

Location: Each system operator/owner should list and categorise the different areas covered by surveillance on their system. Examples are provided below.

Location type	Camera types used	Amount	Recording	Monitoring	Assessment of use of equipment (mitigations or justifications)
Town centre	All	250	24hrs	24hrs (only maximum 3 operators) – likely average patrol high hourly	The privacy level expectation in a town centre is very low; our town centres are well signed with appropriate signage for CCTV its use and purpose with contact details.
Public car park	1, 5, 6	100			
Parks					HD camera only include due to proximity to town HD cam
Play areas					
Housing blocks internal	1, 2	200	24hrs (calendar month)	Limited due to the fact that most are static cameras	High level asb historical problems (please see statistical assessment in annual review)
Housing estate (street)					
Residential street					Cameras are installed here to respond to high crime trends, deal with the fear of crime

APPENDIX TWO: STEPS IN CARRYING OUT A DPIA



APPENDIX THREE: DATA PROTECTION RISK ASSESSMENT MATRIX

Use this risk matrix to determine your score. This will highlight the risk factors associated with each site or functionality.

Matrix Example:

	Camera Types (low number low impact – High number, High Impact)								
Location Types A (low impact) Z (high impact)									



ADUR & WORTHING
COUNCILS

Joint Governance Committee
28 May 2020
Agenda Item 13

Ward(s) Affected: As outlined

2019/20 Review of Petitions Scheme

Report by the Monitoring Officer

Executive Summary

1. Purpose

Both Adur District Council and Worthing Borough Council have a Petition Scheme and welcome petitions from their communities.

Members of the Joint Governance Committee have requested an annual report to update them on the use of the Petition Scheme through the municipal year.

2. Recommendations

The Joint Governance Committee is asked to note the contents of this report.

3.0 Background

Both Adur and Worthing Councils welcome petitions and recognise that they are one way in which residents and the community can let the Council know of their concerns, express their views and engage with the democratic process.

Each Council has a Petition Scheme, which has been formally adopted into each Constitution and is published by the Councils on their website.

The primary provisions of the Scheme may be summarised as follows:

- A Petition must include a clear concise statement covering the subject of the petition and what action petitioners wish the Council to take;
- The Petition must include the name, address and contact details of the Petition Organiser;
- The petition must include a minimum of 50 names, address or postcodes, and signatures (unless electronic) of those who live, work or study in the District or Borough;
- A petition can be rejected by the Monitoring Officer on various grounds, which include, for example, if it is vexatious or defamatory, discloses confidential information, contains advertising statements, relates to the Council's planning or licensing functions, relates to a formal consultation process, or does not relate to an issue upon which the Council has powers or duties or on which it has shared delivery responsibilities.
- Where the petition has less than 1000 signatories it is referred to the relevant decision maker and the Petition Organiser has a right to make representations to the decision maker;
- Where the petition has 1000 or more signatories, it is referred to the next Ordinary Council Meeting for debate, and the Petition Organiser is able to make representations to the Council.
- If the petition relates to action currently being progressed by the Council and it will trigger a Council debate then the action may be suspended pending the debate

The Council's response to a petition may include:

- Taking the action requested;
- Holding an enquiry into the matter;
- Holding a public meeting;
- Holding a consultation;
- Referring the petition to the Joint Overview and Scrutiny Committee for consideration

- Deciding not to agree to do what is asked in the petition.

4.0 Petitions received in 2019/20

4.1 Worthing to be Zero Carbon by 2030

A petition was received by the Monitoring Officer on 15th May 2019 from Ms Joanne Paul which contained 1055 signatures, in regards to a proposal to declare a Climate Emergency and make Worthing Borough Carbon Neutral by 2030, taking into account both production and consumption of emissions.

The Petition was accepted by the Monitoring Officer and deemed to be a qualifying petition as it had in excess of 1000 signatures from those that live, work or study in the Borough. It was therefore referred to the meeting of the Council on 23rd July 2020.

The Petition Organiser attended the Council meeting and presented the petition making representations to the Council. The petition was debated and the Leader advised that the Council was setting up a Board to be chaired by the Chief Executive to look at the work of the Council both internally and externally in order to deliver the net zero carbon emissions target and had made a significant budget commitment. The Leader proposed that the Council welcomed the petition, thanked all those who signed the petition, and moved forward by accepting all of the aims set out in the Joint Strategic Committee report on 9th July 2019. The proposal was seconded and debated and supported.

It was resolved therefore that the Council would move forwards by accepting all of the aims set out in the Joint Strategic Committee report on 9th July 2019.

4.2 Introduction of a Speed Limit for Cyclists on the Esplanade, Worthing

On 19th September 2019 a petition was received by the Monitoring Officer, from Mr Ruewell with 453 signatories, to Worthing Borough Council.

The petition asked the Leader of Worthing Borough Council to lower the risk to young children, the disabled and pedestrians from speeding cyclists, monocycles and scooters, particularly electric ones, by introducing a speed limit on the shared cycle path/promenade, on the Esplanade, Worthing.

The Monitoring Officer accepted the petition and deemed it to be a non-qualifying petition due to the number of signatories being under 1,000. The Monitoring Officer therefore referred the petition to the Leader, as the content related to an Executive

matter. The Leader met with the Petition Organiser and whilst no formal speed limit has been imposed, due to difficulties over resources and enforcement powers, the Leader empathises with the views of those who have signed the petition and is working closely with Officers to investigate alternative mitigation measures to help ensure a safer environment on the seafront.

4.3 Citizens Assembly

In October 2019 the Monitoring Officer received a petition from Jo Paul relating to the setting up of a Citizens Assembly for Climate Change. The petition had 355 signatories.

The petition was accepted by the Monitoring Officer and was classed a non-qualifying petition. It was therefore referred to the Leader of Worthing Borough Council for a response.

The Leader met with the Petition Organiser and, on 19th November 2019, the Leader of the Council made his decision which was to agree to hold a Citizens' Assembly on Climate Change in early 2020. He commented that the Council had declared a climate emergency and taken significant steps to addressing the problems already, and the Council should hold this in depth consultation with the public of Worthing.

5.0 Engagement

Having a Petition Scheme is an effective way of encouraging the residents who live or work or study in the Borough or District to engage with the democratic process.

6.0 Financial Implications

There are no financial implications arising from this report.

7.0 Legal Implications

The requirement to have a Petition Scheme was contained in the Local Democracy, Economic Construction and Development Act 2009 (as amended). Although the legislation is no longer in force, most Local Authorities have retained a petition scheme to support good practice in respect of community engagement.

Background Papers

- Adur District Council and Worthing Borough Council Petition Scheme
- Agenda and Minutes of Worthing Borough Council meeting on 23rd July 2019
- Agenda and Minutes of Joint Strategic Committee meeting on 9th July 2019

Officer Contact Details:-

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Sustainability & Risk Assessment

1. Economic

Matter considered and no issues identified

2. Social

2.1 Social Value

Matter considered and no issues identified

2.2 Equality Issues

Matter considered and no issues identified

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified

2.4 Human Rights Issues

Matter considered and no issues identified

3. Environmental

Matter considered and no issues identified

4. Governance

The Council has a Petition Scheme which has been formally adopted as part of the Council's Constitution. All petitions submitted to the Council should be determined in accordance with the published scheme.

By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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