



Arun District Council  
Civic Centre  
Maltravers Road  
Littlehampton  
West Sussex  
BN17 5LF

Tel: (01903 737500)  
Fax: (01903) 730442  
DX: 57406 Littlehampton  
Minicom: 01903 732765

e-mail: [committees@arun.gov.uk](mailto:committees@arun.gov.uk)

**This meeting will be held in person in the Council Chamber and will be webcast live.**

Committee Manager Helen Burt (Extn 37614)

20 July 2021

### **AUDIT & GOVERNANCE COMMITTEE**

A meeting of the Audit & Governance Committee will be held in **the Council Chamber at Arun District Council, Civic Centre, Maltravers Road, Littlehampton, BN17 5LF** on **Thursday 29 July 2021 at 6.00 pm** and you are requested to attend.

Members: Councillors Clayden (Chair), Chapman (Vice-Chair), Bennett, Chace, Goodheart, Haywood, Northeast, Oliver-Redgate, Oppler, Staniforth and Tilbrook

**PLEASE NOTE:** Subject to Covid-19 Risk Assessments members of the public are advised that there will be no physical access to this meeting.

Members of the public are asked to watch the meeting online via the Council's Committee pages – the meeting will be available to watch live via the internet at this address: [Agenda for Audit & Governance Committee on Thursday 29 July 2021, 6.00 pm - Arun District Council](#)

*Any members of the public wishing to address the Committee meeting during Public Question Time, will need to email [committees@arun.gov.uk](mailto:committees@arun.gov.uk) by 5.15 pm on **Wednesday 21 July 2021** in line with current Procedure Rules. It will be at the Chief Executive's/Chairman's discretion if any questions received after this deadline are considered. Permitted questions will be read out by an Officer.*

*For further information on the items to be discussed, please contact: [committees@arun.gov.uk](mailto:committees@arun.gov.uk)*

## AGENDA

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

Members and Officers are invited to make any declarations of pecuniary, personal and/or prejudicial interests that they may have in relation to items on this agenda, and are reminded that they should re-declare their interest before consideration of the item or as soon as the interest becomes apparent.

Members and Officers should make their declaration by stating:

- a) the item that they the interest in
- b) whether it is a pecuniary, personal and/or prejudicial interest
- c) the nature of the interest

3. MINUTES

(Pages 1 - 6)

To approve as a correct record of the Minutes of the meeting of the Audit & Governance Committee held on 25 February 2021 (attached)

4. ITEMS ON THE AGENDA THAT THE CHAIRMAN OF THE MEETING IS OF THE OPINION SHOULD BE CONSIDERED AS A MATTER OF URGENCY BY REASON OF SPECIAL CIRCUMSTANCE

5. PUBLIC QUESTION TIME

To receive questions from the public (for a period of up to 15 minutes).

6. START TIMES

The Committee is required to agree its start times for the year 2021/22.

7. COMMITTEE TERMS OF REFERENCE

(Pages 7 - 12)

This report asks the Audit and Governance Committee to note its terms of reference as given by Full Council.

8. RESPONSE TO ERNST & YOUNG ON ANNUAL ASSURANCE LETTER REGARDING GOVERNANCE ARRANGEMENTS

(Pages 13 - 22)

Each year the Chair of the Audit & Governance Committee is requested to provide a response to Ernst & Young (the

Council's external auditors) in respect of the oversight of management's processes for identifying and reporting the risk of fraud and possible breaches of internal control in the Council.

A copy of the response is then presented to the Committee at its next meeting.

9. AUDIT PLANNING REPORT (Pages 23 - 64)

The Audit Planning Report – update for the year ended 31 March 2021, which will be presented by a representative from the Council's external auditors Ernst and Young LLP, is attached to this report.

10. ANNUAL AUDIT FEE LETTER (Pages 65 - 70)

Each year the Council is advised of the anticipated external audit fees set by the designated appointing body.

In February 2021, the external auditors presented their Annual Audit Letter to the Committee covering the audit of the Council's 2019/20 Accounts indicating that they had requested a significant fee increase for the year which, if accepted by Public Sector Audit Appointments Ltd (PSAA Ltd), would also then increase fees in future years.

11. ANNUAL GOVERNANCE STATEMENT 2020/21 AND CODE OF CORPORATE GOVERNANCE 2021/22 (Pages 71 - 110)

To present the draft Annual Governance Statement for 2020/21 for the Committee's approval, supported by the local Code of Corporate Governance.

12. UPDATE ON TENANCY FRAUD (Pages 111 - 114)

Tenancy fraud is a common problem for local authorities and can be difficult to detect without a specialist investigation which involves visiting people in their homes.

The post of Fraud Investigation & Enforcement Officer (previously Housing Fraud Investigator), became vacant in Jan 2020 when the postholder secured alternative employment.

We have now successfully recruited to the new post of Fraud Investigation and Enforcement Officer and are reviewing our service to develop a robust approach to detect and investigate all reports of tenancy fraud, prosecuting those responsible where it is viable to do so.

13. TREASURY MANAGEMENT ANNUAL REPORT 2020/21 (Pages 115 - 138)

To report on the Treasury Management activities for the year 2020/21 and to enable the Audit and Governance Committee to scrutinise the report prior to making recommendations to Full Council.

14. HOUSING BENEFIT SUBSIDY CLAIM 2019/20 CERTIFICATION (Pages 139 - 142)

The Council's annual Housing Benefit Subsidy Claim is required to be certified in support of the claim submitted to the Department for Works & Pensions. The Council has engaged Ernst & Young LLP (E&Y) to undertake this work for a 5-year period following the expiry of the previous national agreement via Public Sector Audit Appointments Ltd (PSAA). This report summarises the key points reported by E&Y.

15. CHAIR'S ANNUAL REPORT TO COUNCIL (Pages 143 - 156)

To present the draft Chair's Annual Report to Full Council for agreement by the Committee.

16. COUNTER-FRAUD REPORT 2020/21 (Pages 157 - 172)

The Audit & Governance Committee is the designated body for oversight of the Council's anti-fraud culture.

As part of its agreed workplan, an annual report on counter-fraud activity is presented to update the Committee.

17. INTERNAL AUDIT ANNUAL REPORT & OPINION 2020/21 (Pages 173 - 206)

Internal Audit discharges its duties through the completion of an agreed audit plan designed to provide independent assurance that the Council's business risks are being managed to an appropriate level.

This report summarises the activities of the Council's Internal Audit service for 2020/21.

18. REVISED INTERNAL AUDIT PLAN 2021/22 (Pages 207 - 210)

Each year Internal Audit is required to develop an annual audit plan for the following financial year, for presentation to the Audit & Governance Committee.

19. PROGRESS AGAINST THE AUDIT PLAN (Pages 211 - 216)

Each year Internal Audit undertakes its work against an annual audit plan, as approved by the Audit & Governance Committee prior to the start of the financial year.

The Committee is required to oversee the provision of an adequate and effective internal audit service.

20. UPDATE ON THE COUNCIL'S USE OF POWERS UNDER THE REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) (Pages 217 - 218)

The Audit & Governance Committee is the designated body for oversight of the Council's use of powers under the Regulation of Investigatory Powers Act (RIPA).

A report / update on any usage is provided to the Audit & Governance Committee annually.

21. INFORMATION / ADVISORY DOCUMENTS RECEIVED

CIPFA has issued its Fraud & Corruption Tracker, National Report 2020: [CIPFA's annual survey of fraud and corruption | CIPFA](#)

22. WORK PROGRAMME (Pages 219 - 224)

The Committee is required to note the Work Programme for 2021/22.

Note : If Members have any detailed questions, they are reminded that they need to inform the Chair and relevant Director in advance of the meeting.

Note : Filming, Photography and Recording at Council Meetings – The District Council supports the principles of openness and transparency in its decision making and permits filming, recording and the taking of photographs at its meetings that are open to the public. This meeting may therefore be recorded, filmed or broadcast by video or audio, by third parties. Arrangements for these activities should operate in accordance with guidelines agreed by the Council and as available via the following link [Filming Policy](#)