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19 July 2022

## **AUDIT & GOVERNANCE COMMITTEE**

A meeting of the Audit & Governance Committee will be held in **Council Chamber, Arun Civic Centre, Maltravers Road, Littlehampton, BN17 5LF** on **Thursday 28 July 2022 at 10.00 am** and you are requested to attend.

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

### **PLEASE NOTE:**

1. Where a member of the public wishes to attend the meeting or has registered a request to take part in Public Question Time, they will be invited to submit the question in advance of the meeting to be read out by an Officer, but of course can attend the meeting in person. There will be limited public access to this meeting and admission for public speakers will be by ticket only, bookable when submitting questions. Attendees will be asked to sit in an allocated seat in the public gallery on a first come first served basis. Only one ticket will be available per person.
2. It is *recommended* that all those attending take a lateral flow test prior to the meeting.
3. Those attending the meeting will *not* be required to wear a face covering however, are encouraged to bring one along to cover instances where a meeting may have higher public attendance. Masks will be made available at the meeting.
4. We request members of the public do not attend any face to face meeting if they have Covid-19 symptoms.

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 20 July 2022 in line with current Committee Meeting Procedure Rules.

It will be at the Chief Executive's/Chair's discretion if any questions received after this deadline are considered.

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 declaration 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 items or as soon as the interest becomes apparent.

Members and Officers should make their declaration by stating:

- 1) the item they have the interest in
- 2) whether it is a pecuniary/personal interest and/or prejudicial interest
- 3) the nature of the interest

3. MINUTES

(Pages 1 - 8)

The Committee will be asked to approve as a correct record the Minutes of the Audit & Governance Committee held on 22 February 2022.

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 2022/23.

[5 Minutes]

7. ANNUAL AUDIT LETTER FOR THE YEAR ENDED 31 MARCH 2021

(Pages 9 - 44)

The Annual Audit Letter for the year ended 31 March 2021 is attached to this report. The Annual Audit letter is produced by the Council's external Auditors Ernst & Young LLP (EY) and forms part of the regulatory framework. The Annual Audit letter brings the 2020/21 audit to a conclusion.

[10 Minutes]

8. OUTLINE EXTERNAL AUDIT PLAN 2021/22 (Pages 45 - 62)
- The Outline Audit Plan – year ended 31 March 2022, which will be presented by a representative from the Council’s external auditors Ernst and Young LLP, is attached to this report.  
[10 Minutes]
9. RESPONSE TO ERNST & YOUNG ON ANNUAL ASSURANCE LETTER REGARDING GOVERNANCE ARRANGEMENTS (Pages 63 - 74)
- 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.  
[15 Minutes]
10. ANNUAL GOVERNANCE STATEMENT 2021/22 AND CODE OF CORPORATE GOVERNANCE (Pages 75 - 112)
- To present the draft Annual Governance Statement for 2021/22 to the Committee, supported by the local Code of Corporate Governance.  
[10 Minutes]
11. TREASURY MANAGEMENT ANNUAL REPORT 2021/22 (Pages 113 - 136)
- The purpose of this report is to present the Council’s Treasury Management activities for the year 2021/22 and to enable the Audit and Governance Committee to scrutinise the report prior to making comment to Full Council.
- During 2021/22, the Council complied with its legislative and regulatory requirements. Including confirmation that the authorised limit was not breached.
- The actual prudential and treasury indicators are to be found in the body of this report and in appendix 1.
- The financial year 2021/22 continued the challenging investment environment of previous years, namely low investment returns.  
[15 Minutes]

12. INTERNAL AUDIT - ANNUAL REPORT & OPINION 2021/22 (Pages 137 - 154)

The annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control is a requirement of the Public Sector Internal Audit Standards (PSIAS). It is an important source of assurance that supports a local government body's Annual Governance Statement.

This report summarises the activities of the Council's Internal Audit service for 2021/22.

[10 Minutes]

13. ANNUAL INTERNAL AUDIT CHARTER 2022/23 (Pages 155 - 166)

Each year Internal Audit is required to present an annual internal audit charter for the following financial year, for agreement by the Audit & Governance Committee. The Internal Audit Charter establishes the terms of reference for the Internal Audit service and outlines how the service will be delivered and developed.

[10 Minutes]

14. ANNUAL INTERNAL AUDIT PLAN 2022/23 (Pages 167 - 182)

Each year Internal Audit is required to develop an annual audit plan for the following financial year, for agreement by the Audit & Governance Committee. This report presents the plan for 2022/23 for approval by the Committee.

[10 Minutes]

15. CHAIR'S ANNUAL REPORT TO FULL COUNCIL 2021/22 (Pages 183 - 196)

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

[5 Minutes]

16. COUNTER-FRAUD REPORT 2021/22 (Pages 197 - 210)

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.

[10 Minutes]

17. ANNUAL UPDATE ON THE COUNCIL'S USE OF POWERS UNDER THE REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) (Pages 211 - 212)

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.

[5 Minutes]

18. WORK PROGRAMME (Pages 213 - 218)

The Committee is required to note the Work Programme for 2022/23.

[5 Minutes]

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](#)