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07 February 2024

AUDIT AND GOVERNANCE COMMITTEE

A meeting of the Audit and Governance Committee will be held in **Council Chamber, Arun Civic Centre, Maltravers Road, Littlehampton, BN17 5LF** on **Monday 19 February 2024 at 6.00 pm** and you are requested to attend.

Members: Councillors Walsh (Chair), O'Neill (Vice-Chair), P. Bower, Goodheart, Haywood, Jones, May, Oppler, Purser, Turner and Wallsgrove

PLEASE NOTE:

A live webcast of the meeting will be available via the Council's [Committee webpages](#).

Any members of the public wishing to address the Committee meeting during Public Question Time, will need to email Committees@arun.gov.uk by 5.15 pm on **Monday 12 February 2024** in line with current Committee Meeting Procedure Rules.

For further information on the items to be discussed, please contact 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:

- a) the item they have the interest in
- b) whether it is a pecuniary/personal interest and/or prejudicial interest
- c) 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 30 November 2023.
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. REVIEW OF THE MEMBERS' ALLOWANCES SCHEME - REPORT OF THE INDEPENDENT REMUNERATION PANEL (Pages 9 - 40)
Now that the Committee system has been in place for some time [since May 2021] it is timely to undertake a review of all allowances, and because the last full review was undertaken in July 2019.

The Regulations require the Council's IRP to review its Members' Allowances Scheme every four years.
[30 minutes]
7. INTERNAL AUDIT ANNUAL PLAN 2024/25 (Pages 41 - 54)
The Internal Audit Plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements. This report presents the plan for 2024-25 for approval by the Committee.
[10 minutes]

8. INTERNAL AUDIT CHARTER 2024/25 (Pages 55 - 68)

The Internal Audit Charter is a formal document that defines the internal audit activity's purpose, authority and responsibility consistent with the Definition of Internal Auditing, the Code of Ethics and the Standards. The Public Sector Internal Audit Standards require the charter to be reviewed and approved annually.

[5 minutes]

9. INTERNAL AUDIT PROGRESS REPORT DECEMBER 2023 (Pages 69 - 84)

The report outlines the progress of the Council's Internal Audit service against the approved Internal Audit Plan for 2023/24 from 1 April 2023.

[15 minutes]

10. CORPORATE RISK REGISTER UPDATE (Pages 85 - 116)

The Corporate Risk Register is reviewed and updated in line with the requirements of the Council's Risk Management Framework.

Quarterly updates reflecting revisions are reported to the Audit and Governance Committee, this report highlights the changes since the last update.

It is proposed that the Committee considers and notes the revised Corporate Risk Register.

[20 minutes]

11. STATEMENT OF ACCOUNTS - ACCOUNTING POLICIES 2023/24 (Pages 117 - 138)

The report allows the Audit and Governance Committee to consider and note the accounting policies that will be applied to the Statement of Accounts 2023/24 for approval by the Committee. The statutory deadline for completion of the draft accounts is 31 May 2024 and approval of the final audited accounts is 30 September 2024. Should there be any changes to these deadlines, Members will be informed.

[5 minutes]

12. TREASURY MANAGEMENT STRATEGY & ANNUAL INVESTMENT STRATEGY 2024/25

(Pages 139 - 186)

The report has been prepared to ensure that the content complies with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2021.

Section 12 of the Local Government Act 2003 Act provides local authorities with the power to invest for any purpose relevant to its functions, or for the purposes of the prudent management of its finances. Broadly speaking, this means that its cash resources must be invested under the 'SLY' principles of Security, Liquidity and then Yield.

[15 minutes]

13. USE OF REGULATION OF INVESTIGATORY POWERS ACT (RIPA) ANNUAL REPORT 2023

(Pages 187 - 192)

The Regulation of Investigatory Powers Act 2000 (RIPA) governs the acquisition and disclosure of communications data and the use of covert surveillance by local authorities.

The Council has the ability to use powers under RIPA to support its core functions for the purpose of the prevention and detection of crime where an offence may be punishable by a custodial sentence of 6 months or more. There are three processes available to local authorities under RIPA: the acquisition and disclosure of communications data; directed surveillance; and covert human intelligence sources ('CHIS').

The Act sets out the procedures that the Council must follow if it wishes to use directed surveillance techniques or acquire communications data in order to support core function activities. The information obtained as a result of such operations can later be relied upon in court proceedings provided the Act is complied with.

The Home Office Code for Covert Surveillance and Property Interference recommends that elected Members, whilst not involved in making decisions or specific authorisations for the local authority to use its powers under the Act, should review the Council's use of the legislation and provide approval to its policies.

[10 minutes]

14. WORK PROGRAMME

(Pages 193 -
196)

The Committee is required to note the Work Programme for 2023/24.

[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](#)