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12 November 2019

AUDIT & GOVERNANCE COMMITTEE

A meeting of the Audit & Governance Committee will be held in **at the Arun Civic Centre, Maltravers Road, Littlehampton, BN17 5LF** on the **Thursday 21 November 2019 at 6.00 pm** and you are requested to attend.

Members: Councillors Mrs Erskine (Chairman), Mrs Haywood (Vice-Chair), Bennett, Bicknell, Brooks, Chapman, Clayden, Dendle, Ms Thurston and Tilbrook

AGENDA

1. **APOLOGIES FOR ABSENCE**

2. **DECLARATIONS OF INTEREST**

Members and Officers are reminded 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 officer should make their declaration by stating:

- a) the application they have the interest in
- b) whether it is a pecuniary, personal and/or prejudicial
- c) the nature of the interest
- d) if it is a prejudicial or pecuniary interest, whether they will be exercising their right to speak to the application

3. MINUTES (Pages 1 - 8)

To approve as a correct record of the Minutes of the meeting of the Audit & Governance Committee held on 30 July 2019 as 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. ANNUAL AUDIT LETTER - ERNST & YOUNG (Pages 9 - 34)

Audit letter will be presented by Ernst & Young LLP.

The Committee is requested to note the Annual Audit Letter from the Council's external auditors Ernst & Young LLP.

6. TREASURY MANAGEMENT MID-YEAR REPORT (Pages 35 - 52)

This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management and covers the activities to 30 September 2019.

Audit and Governance Committee is requested to recommend Full Council to:

- (i) approve the actual prudential and treasury indicators for 2019/20 contained in the report;
- (ii) note the treasury management mid-year review (this report) for 2019/20;
- (iii) note the treasury mid-year activity for the period ended 30th September 2019, which has generated interest receipts of £400,050 (1.39%) year to date, against a budget of £596,000 (1.24%) for the full year.

7. UPDATE ON THE PROGRESS OF THE COUNCIL'S PROPERTY INVESTMENT FUND (PIF) (Pages 53 - 58)

This report provides the Committee with the opportunity to review progress and the strategy.

The Committee is asked to recommend to Cabinet that they put forward to Full Council that:

- (i) The 75% threshold within section 5.1 of the Property Investment Strategy 2017-2022 be changed to 50%.

8. UPDATED STRATEGIC RISK REGISTER (Pages 59 - 76)

The Council's Strategic Risk Register has been reviewed and revised to reflect changes since its last update in November 2018.

The Committee is requested to note and approve the revised Strategic Risk Register.

9. RESULTS OF THE EXTERNAL QUALITY ASSESSMENT (EQA) ON THE COUNCIL'S INTERNAL AUDIT SERVICE (Pages 77 - 90)

This report presents the results of the EQA conducted in 2019, together with an action plan to progress the recommendations for improvement raised.

Members of the Audit & Governance Committee are requested to note the content of the report and agree the action plan.

10. UPDATE ON THE STATUS OF THE COUNCIL'S BUSINESS CONTINUITY PLANNING (BCP) ARRANGEMENTS (Pages 91 - 92)

An interim update from the Group Head of Neighbourhood Services is attached and is requested to be noted by Members of the Committee.

A fuller update will be provided to the Committee at the February 2020 meeting.

11. UPDATES TO THE COUNCIL'S ANTI-FRAUD, CORRUPTION & BRIBERY POLICY (Pages 93 - 120)

The Council's Anti-Fraud, Corruption & Bribery Policy has been reviewed and updated.

Members of the Committee are requested to consider the updates to the Policy and recommend its adoption by Full Council.

12. UPDATES TO THE COUNCIL'S CORPORATE POLICY & PROCEDURE DOCUMENT ON THE REGULATION OF INVESTIGATORY POWERS ACT 2000 (AS AMENDED, INCLUDING THE INVESTIGATORY POWERS ACT 2016) (Pages 121 - 156)

The Council's Corporate Policy and Procedures Document on the Regulation of Investigatory Powers Act 2000 (RIPA) has been reviewed and updated.

Members of the Committee are requested to consider the updates to the Policy document and recommend its adoption by Full Council.

13. UPDATE ON THE WORK OF INTERNAL AUDIT (Pages 157 - 164)

The Committee is required to oversee the provision of an adequate and effective internal audit service. Part of this process is to monitor delivery of progress against the Audit Plan and to receive summaries of reports issued.

Members of the Committee are requested to note the content of the report on progress made against the outline Audit Plan agreed by the Committee at its February meeting.

14. SUMMARY OF FINDINGS FROM REPORTS ISSUED FEBRUARY - OCTOBER 2019 (Pages 165 - 170)

Internal Audit Manager to present a summary of the significant findings arising from audit reports issued between February and October 2019.

Members of the Audit & Governance Committee are requested to note the Summary of Findings from reports issued.

15. INFORMATION / ADVISORY DOCUMENTS RECEIVED

None.

16. WORK PLAN REVIEW 2019/20 (Pages 171 - 176)

The Internal Audit Manager will update the Committee on any changes to the rolling Work Plan for 2019/20.

Note : Reports are attached for all Members of the Committee only and the press (excluding exempt items). Copies of reports can be obtained on request from the Committee Manager).

Note : Members are reminded that if they have any detailed questions would they please inform the Chairman and/or relevant Director in advance of the meeting.

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