



Minutes of the meeting of the **Corporate Governance & Audit Committee** held in the Committee Rooms, East Pallant House on Monday 17 July 2023 at 2.00 pm

Members Present: Mr R Bates (Chairman), Mr T O'Kelly (Vice-Chairman), Mr I Ballantyne, Mr J Brown, Mr M Chilton, Mr F Hobbs and Mr T Johnson

Members not present: Ms M Corfield

In attendance by invitation:

Officers present: Mrs H Belenger (Divisional Manager for Financial Services) and Mr J Ward (Director of Corporate Services)

1 **Chairman's Announcements**

Apologies for absence were received from Cllr Corfield.

2 **Approval of Minutes**

The minutes of the meeting held on 27 March 2023 were agreed as a correct record.

3 **Urgent items**

There were none for consideration.

4 **Declarations of Interest**

There were no declarations of interest.

5 **Public Question Time**

No public questions had been received.

6 **EY Audit Results Report 2021-2022**

The Chairman invited Kevin Suter, Partner at Ernst & Young (EY) and Kelly Gates, to present this report.

The Committee discussed the need for an external stimulus to help improve the efficiency and speed of future audits. Members asked how the council compare materiality of accounts with other councils. EY responded that the common methodology used is based on a percentage of gross revenue expenditure. Generally, 2% is used with the majority of EY's clients, but it will be varied if the

auditors had any concerns. So, essentially the numbers will vary due to the size of the councils' expenditure, but the methodology is the same. Members also enquired about keeping a record of the additional staff effort to accommodate any changes to the timetable. Officers responded that they have not had to obtain additional resources to date, but due to the timing of the audit review coinciding with the statutory requirement to produce a budget there may have been delays to responding to EY's requests. However, management have been quite clear with the auditors on this point. If additional resources are required there are procedures in place to arrange this.

John Ward, Director of Corporate Services, went on record to thank Kevin Suter for all his hard work over the past five years with all the work relating to Audits.

RESOLVED:

1. That the Audit Results Report for the year ending 31 March 2022 be considered and noted.

7 Statement of Accounts for 2021-2022

The Chairman invited Helen Belenger, Divisional Manager for Financial Services and David Cooper, Group Accountant to present this report.

Members enquired about the difference in large amount of the council's money held in cash between 2021 and 2022. Officers responded by stating that a lot of money had been given to the council by the government to aid people and businesses during the pandemic with the various grant schemes the government agreed with local councils distributing the money.

The Chairman thanked the officers for presenting.

RESOLVED:

1. That the Statement of Accounts shown in Appendix 1 for the financial year ended 31 March 2022 and note the outturn position be considered and approved by the committee.
2. That the Director of Corporate Services in consultation with the Chairman of the Corporate Governance and Audit Committee be given delegated authority to:
 - a) approve any non-material changes to the 2021-22 Statement of Accounts that arise from the final external audit work, and
 - b) authorise the Letter of Management Representation to be given to the Council's External Auditor.

8 2021-2022 Annual Governance Statement and Corporate Governance Report

The Chairman invited Stephen James, Internal Audit & Corporate Investigations Manager, to present the report.

Members asked for clarification about the cyber risk across the ICT estate. Officers responded by stating that the main step forward in terms of cyber resilience has been the completion of the backup server facility, which now enables real-time backup of data off-site with the ability to switch the servers over to give real access with immediate effect for key critical systems. Members also discussed what the impact of the failure of the local plan might be. Officers responded by stating that the local plan was behind schedule but was steadily progressing and has moved past the Regulation 19 submission stage.

RESOLVED:

1. That the draft Annual Report on Corporate Governance at appendix 1, the Annual Governance Statement 2021-2022 (appendix 2), and Internal Audit and Corporate Investigations Annual Report 2021-2022 (appendix 3) be considered and recommended to council for approval.

9 2022-23 Treasury Management outturn report

The Chairman invited Helen Belenger and Kevin Gillett, Valuation & Estates Manager to present the report.

Members made no recommendations to provide to Cabinet.

RESOLVED:

1. That this report be considered, and comments be provided to Cabinet as necessary by the Corporate Governance and Audit Committee.

10 Progress Report - Audit Plan for 2023/24

The Chairman invited Stephen James to present the report. Mr James explained that the Audit Plan had been delayed because it could not be completed due to lack of data but will be followed up on 23 September 2023.

RESOLVED:

1. That the performance against the audit plan for 2023/24 be noted by the Committee.

11 2023 Fraud Prevention Report

The Chairman invited Jeremy Todd, Principal Internal Audit & Corporate Investigations Officer, to present the report.

RESOLVED:

1. That this report and the corporate approach to fighting fraud to ensure that they fulfil their stewardship role and protect the public purse be considered.

2. The Committee noted that the Council will actively pursue potential frauds identified through ongoing investigations by the Corporate Investigations Team (CIT).

12 **Appointment to the Strategic Risk Group**

The Chairman invited Helen Belenger to lead this agenda item.

The Chairman nominated Councillors Hobbs, O'Kelly, and Bates to the Strategic Risk Group.

RESOLVED:

1. That the three members of the Corporate Governance and Audit Committee be appointed to the Strategic Risk Group.

13 **Establishment of a Budget Review Group**

The Chairman invited Helen Belenger to present this report.

RESOLVED:

1. Subject to an amendment by Councillor Brown in Appendix 1 that the deputy leader be a member, the setting up of a Budget Review Group, and the Terms of Reference as set out in Appendix 1 of the report be recommended to Cabinet.

14 **Housing Benefit Subsidy Report 2020-2021**

The Chairman invited Marlene Rogers, Benefits and Systems Support Manager, to present this report.

Members asked if benefit fraud was more likely due to the cost-of-living crisis. Officers responded by stating that housing benefit is now leaning towards a legacy benefit, with most people of working age entitled to claim under the universal credit system managed by the Department of Work and Pensions (DWP), so that would be more a question them. But in terms of housing benefit (HB) cases the officer considered that there was no increase due to the cost of living crisis. The majority of cases for HB was pensions and only a small caseload for those of working age who would gradually move to the universal credit regime.

RESOLVED:

1. That the contents of this report, which summarises the final Housing Benefit subsidy position for year ending 31st March 2021 be considered.

15 **Annual Partnerships Report 2023**

The Chairman invited Pam Bushby, Divisional Manager Communities and Customer Services, to present this report.

RESOLVED:

1. That the Annual Partnerships report be noted.
2. Be recommended that the partnerships annual report is an appropriate mechanism for ensuring our strategic partnerships have appropriate governance measures in place and should continue reporting to Corporate Governance and Audit committee on an annual basis.
3. Be recommended that the risk assessment template for partnerships is an appropriate document and should be completed by lead officers for partnerships.

16 **Annual Corporate Health & Safety and Business Continuity Management Report**

The Chairman invited Warren Townsend, Safety & Resilience Manager, to present the report.

RESOLVED:

1. That the Council's arrangements in place for monitoring and controlling the risks associated with health and safety and business continuity matters be considered and noted.

17 **Housing Covenants Report**

The Chairman invited Nicholas Bennett, Divisional Manager for Legal and Democratic Services, to present this report.

RESOLVED:

1. Subject to an amendment by Councillor Brown which that in consultation with the cabinet member for Housing and Communities it be recommended to Council that the Director of Housing and Communities is authorised to consider and determine applications for release of s157 covenants in respect of previous Right to Buy properties and the conditions of any release.
2. That a policy on the matter to be brought forward in due course, once developed by officers.

18 **Exclusion of the Press and Public**

There were none.

19 **Late items**

The committee discussed the possibility of the future meetings being held virtually. Officers advised that as no formal decisions were being taken at these meetings, it was at the discretion of the Chair and a wider review by Council regarding altering the meeting time. Members gave their views and suggested that it might be useful to

have compromise; whereby if the agenda items are simply for noting then the Committee can meet virtually. The consensus was that the Committee meeting arrangement should stay as it is until such a time when the Committee feel otherwise.

The Chairman thanked members and officers for attending and all those who had presented reports.

The meeting ended at 4.00 pm

CHAIRMAN

Date: