

Minutes of the meeting of the **JOINT AUDIT AND STANDARDS COMMITTEE** held in the Virtual - Teams Meeting on Tuesday, 11 August 2020

PRESENT:

Councillor: Bryn Hurren (Chair)

Councillors: Lavinia Hadingham (As Sub) Robert Lindsay
John Matthissen Alastair McCraw
Mary McLaren Dave Muller (Co-Chair)

In attendance:

Guest(s):

Officers: John Snell, Corporate Manager – Internal Audit
Melissa Evan, Corporate Manager – Finance and Commissioning and Procurement
Sue Palmer, Senior Financial Services Officer
Emily Yule, Monitoring Officer

Apologies:

Councillor(s) Mike Norris, James Caston

34 SUBSTITUTES AND APOLOGIES

34.1 Apologies were received from Councillor Mike Norris and Councillor James Caston.

34.2 Councillor Lavinia Hadingham substituted for Councillor James Caston.

35 DECLARATION OF INTERESTS

35.1 There were no declarations of interest declared.

36 JAC/19/22 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 27TH JULY 2020

36.1 A draft version of the minutes of the meeting held of 27 July 2020 were being prepared and would be presented to the Committee at the next meeting.

37 TO RECEIVE NOTIFICATION OF PETITIONS IN ACCORDANCE WITH THE COUNCIL'S PETITION SCHEME

37.1 There were no petitions received.

38 QUESTIONS BY THE PUBLIC

38.1 None received.

39 QUESTIONS BY COUNCILLORS

39.1 None received.

40 JAC/19/23 SIGNIFICANT RISK REGISTER REPORT AND RISK MANAGEMENT ACTIVITY

40.1 The Corporate Manager for Internal Audit introduced report JAC/19/23 which detailed the Councils' significant risks, and the work undertaken around risk management processes since April 2019. Members were advised that the report would usually be an annual report covering the period up to April 2020 however the information had been updated to include the period up to July 2020.

40.2 The Corporate Manager for Internal Audit provided Members with an overview of the process undertaken with regard to the Significant Risk Register which currently contained 18 risks, and the work the Internal Audit team undertake

40.3 Members were advised that plans were being worked upon to integrate Performance, Risk and Finance reports together to be presented to Cabinet on a quarterly basis.

40.4 In response to a question from Councillor Hurren, the Corporate Manager for Internal Audit provided an explanation with regards to how the different types of risks are rated.

40.5 Councillor Hadingham queried whether the higher rated risks in the report related to the current Covid-19 pandemic and it was confirmed this was the case.

40.6 Following a question from Councillor Lindsay, the Corporate Manager for Finance and Commissioning and Procurement provided assurance that the Companies the Councils invest in are proactive with regards to environment and social governance.

40.7 In response to a query from Councillor Matthissen regarding the Operational Risk Registers, the Corporate Manager for Internal Audit confirmed that information regarding these risks was available on Connect.

40.8 Councillor McCraw raised a question about how the Councils' approach to risk management could be characterised. The Corporate Manager for Internal Audit confirmed that there was a greater understanding of risk management within the Authorities and that the approach taken was more proactive than previously.

40.9 Councillor McLaren commented on the recent changes to the way staff work

and asked whether a risk associated with working at home was being considered. The Corporate Manager confirmed that this would be looked into.

- 40.10 The Monitoring Officer provided details of the actions taken with regard to Health and Safety of staff throughout the Covid-19 pandemic and the processes in place to provide support.
- 40.11 Councillor Matthissen raised a query regarding the specific risks regarding the Joint Local Plan. The Monitoring Officer suggested taking Councillor Matthiessen's comments to the Assistant Director for Sustainable communities for further him to provide a reply.
- 40.12 Councillor Hurren commented that not meeting the carbon targets were a massive political risk. The Corporate Manager – Internal Audit provided assurance that this particular risk was being taken very seriously and was on the Internal Audit plan for the current year.
- 40.13 Councillor Lindsey commented that the original motion was for carbon emissions across the whole of Suffolk and the wording of the risk seemed to concentrate on the Council's emissions and also raised a question regarding Risk 15 – new way of delivering services. The Corporate Manager – Internal Audit replied that he would raise the comment regarding carbon emissions with the relevant assistant director. The Monitoring Officer gave further details regarding risk 15.
- 40.14 Councillor Matthissen raised queries regarding the risks involving Gateway 14 and CIFCO. The Corporate Manager – Internal Audit stated that he would raise these with Emily Atack the Assistant Director – Assets and Investments with a view of updating the risks and mitigations.
- 40.15 The recommendations were proposed by Councillor Muller and Seconded by Councillor Hadingham. By Unanimous Vote.

It was RESOLVED:-

- (1) That the contents of report JAC/19/23, supported by Appendix A and B, be noted.**

41 JAC/19/24 TREASURY MANAGEMENT OUTTURN FOR 2019/20

- 41.1 The Senior Financial Services Officer, Sue Palmer introduced paper JAC/19/24 which provides details of the performance, effects of decisions taken and confirms compliance with the Council's treasury management policy.

- 41.2 Members were advised of some key facts contained within the reports which included that each council had reduced its short term debt, Mid Suffolk had lent a further £4.9m to Gateway 14, both council's made a further investment of £2m each in Investec Diversified Income fund, Investments in Funding Circle had reduced and both council's were compliant with the upper limits for interest rates exposure.
- 41.3 Members were also advised of a couple of errors contained in the report. These were in Appendix C, Paragraph 2.1.8, Table 6.4. In Babergh's table the Average rate of return should be 4.65% not 6.20% and In Mid Suffolk's table Both the Interest Received amounts should be £0.31m.
- 41.4 Councillor Lindsey enquired what assets were being invested in. The Senior Financial Services Officer listed the funds and what assets they invested in.
- 41.5 Councillor Matthissen asked where in the treasury management report are the CIFCO investments shown. The Senior Financial Services Officer replied that this information could be found within appendix c, paragraphs 2.5 to 2.11 of the report.
- 41.6 Councillor Hurren asked for a comment on the Borehamgate Centre. The Corporate Manager – Finance and Commissioning and Procurement stated that an update would be provided within the Q1 general fund performance report.
- 41.7 The recommendations for Mid Suffolk Council in 3.1 and 3.3 were proposed by Councillor Muller and Seconded by Councillor Hadingham. By Unanimous vote.

It was RESOLVED :-

- (1) That the Treasury Management activity for the year 2019/20 be noted. Further, that it be noted that performance was in line with the Prudential Indicators set for 2019/20**
 - (2) That it be noted that Mid Suffolk District Council treasury management activity for 2018/19 was in accordance with the approved Treasury Management Strategy, and that, except for one occasion when the Council exceeded its daily bank account limit with Lloyds by £129k, as mentioned in Appendix C, paragraph 4.6, the Council has complied with all the Treasury Management Indicators for this period**
- 41.8 The recommendations for Babergh Council in 3.1 and 3.2 were proposed by Councillor Hurren and Seconded by Councillor McCraw. By unanimous vote.

It was RESOLVED:-

- (1) That the Treasury Management activity for the year 2019/20 be noted. Further, that it be noted that performance was in line with the Prudential**

Indicators set for 2019/20.

- (2) That it be noted that Babergh District Council treasury management activity for 2019/20 was in accordance with the approved Treasury Management Strategy, and that the Council has complied with all the Treasury Management Indicators for this period.**

42 JAC/19/25 CONSULTATION ON THE NEW MODEL CODE OF CONDUCT

- 42.1 The Monitoring Officer introduced paper JAC/19/25 and stated that the LGA's proposals to amend the model code of conduct were limited to changes that could be implemented within the existing legislations and once the new model code is published it would be a full council decision whether to adopt the new code as its own local code of conduct.
- 42.2 The Monitoring Officer also stated that it was the intention to continue to have a Suffolk wide local code of conduct which could be adopted by the County, District, Borough, Town and Parish councils across Suffolk.
- 42.3 Councillor Hurren enquired if all councils would have to vote to adopt a Suffolk wide code. The Monitoring Officer replied that each council were responding individually to the consultation.
- 42.4 Councillor Hurren asked for explanation regarding the statement in paragraph 3.4 of the report that all criminal offences relating to disclosable pecuniary interests should be abolished. The Monitoring Officer commented that if the criminal element of not declaring a pecuniary interest was removed it would fall under the Monitoring Officer to investigate the complaint.
- 42.5 Councillor Lindsey stated that the bringing the council into disrepute clause was not specific enough and he would prefer to see that clause dropped.
- 42.6 Councillor Matthissen agreed and also agreed that allowing the Monitoring Officer to investigate non disclosure of pecuniary interests was preferred.
- 42.7 Councillor McCraw raised a point of order to clarify the purpose of the report. The Monitoring Officer clarified that it was to gain approval of the council's responses to the consultation only.
- 42.8 Councillor McCraw stated that he agreed that the use of social media should be included in the code of conduct, however he did not agree with the response to reduce the gift and hospitality amount to zero which was agreed by Councillors Matthissen, Lindsey and Hurren. The Monitoring Officer stated that this response would be amended.
- 42.9 Councillor Lindsey sought support for his proposal to amend the response to question 8 from 'to a small extent' to 'not at all'. This was generally agreed by committee.

42.10 Councillor McCraw clarified the amendments agreed and proposed the recommendations 2.1 and 2.2. This was seconded by Councillor Muller. By unanimous vote.

It was RESOLVED:-

- (1) That the draft consultation response be considered and amended as required by the committee, and**
- (2) That the Monitoring Officer be authorised to submit the agreed consultation response on behalf of Babergh and Mid Suffolk District Councils.**

43 JAC/19/26 FORWARD PLAN

43.1 The Monitoring Officer introduced paper JAC/19/26 and raised that for items for the meeting in September were not time bound and therefore the committee in September may be cancelled with the agreement of the chair.

43.2 Councillor Matthissen enquired if it would be possible to see the Statement of Accounts sooner than November. The Corporate Manager – Finance and Commissioning and Procurement stated that the statement of Accounts would be published on 31st August so it would not be possible to bring it to committee before November.

The business of the meeting was concluded at Time Not Specified.

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Chair