

Minutes of the meeting of the **JOINT AUDIT AND STANDARDS COMMITTEE** held in the King Edmund Chamber, Endeavour House, 8 Russell Road, Ipswich on Monday, 25 July 2022

**PRESENT:**

Councillors:	Austin Davies	Rachel Eburne
	Bryn Hurren (Co-Chair)	Dave Muller (Co-Chair)
	Zachary Norman	Mike Norris
	John Nunn	Alison Owen

**In attendance:**

Officers: John Snell – Corporate Manager Internal Audit  
Sue Palmer - Senior Financial Business Partner, Capital & Treasury

**Apologies:**

Councillor(s) Sue Ayres and James Caston

**83 DECLARATION OF INTERESTS**

83.1 There were no declarations of interests

**84 JAC/21/29 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 29TH NOVEMBER 2021**

It was **RESOLVED** that the minutes of the meeting held on 29<sup>th</sup> November be signed as a true record.

**85 JAC/21/30 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 28 MARCH 2022**

It was **RESOLVED** that the minutes of the meeting held on 28<sup>th</sup> March be signed as a true record.

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

86.1 None received.

**87 QUESTIONS BY THE PUBLIC**

87.1 None received.

## **88 QUESTIONS BY COUNCILLORS**

88.1 None received.

## **89 JAC/21/31 ANNUAL INTERNAL AUDIT REPORT 2021/22**

- 89.1 Corporate Manager Internal Audit introduced report JAC/21/31 which provided details of the work undertaken by Internal Audit for the year 2021/22.
- 89.2 Following a question from Councillor Hurren, the Corporate Manager Internal Audit confirmed that the customer satisfaction surveys referred to in the report were completed by officers of the council.
- 89.3 Following a question from Councillor Norris regarding the limited assurance given to the planning enforcement audit, the Corporate Manager Internal Audit stated that works had been undertaken and clarification on a couple of points were being sought from the Professional Lead – Growth and Sustainable Planning before the report could be issued in draft form for management response.
- 89.4 Councillor Eburne asked questions regarding social values considered in audits, budgetary controls in corporate procurement and risk management resource.
- 89.5 In response to Councillor Eburne's questions the Corporate Manager Internal audit explained how social values were applied in audits and what works had been undertaken regarding budgetary control. He also explained that an Interim Corporate Manager – Strategic Policy, Performance and Insight was in place, their role included risk management and a full time Risk Management Officer had also been recruited.
- 89.6 Following further questions from Councillor Eburne the Corporate Manager Internal Audit confirmed that the Budgetary Control work would be detailed in a future report and the Housing health and safety follow up audit has been given an audit opinion of reasonable assurance with the works being undertaken by the relevant housing corporate managers until a new Director for Housing was appointed.
- 89.7 Councillor Hurren sought reassurance that climate change was being taken seriously, the Corporate Manager Internal Audit stated the audit had been undertaken by the external auditor provider and that an audit opinion of reasonable assurance was given.
- 89.8 Councillor Eburne asked if there was a framework in place for ethics, the Corporate Manager Internal Audit stated that an holistic approach regarding behaviours and cultures were applied when undertaking audit reviews.

- 89.9 During the debate Councillors discussed social values and ethic frameworks and the importance of whistle blowing polices and officer awareness of them.
- 89.10 Councillor Muller PROPOSED the recommendation in the report which was SECONDED by Councillor Hurren

**It was RESOLVED that the contents of the Internal Audit Report, supported by Appendix A, be agreed.**

## **90 JAC/21/32 JOINT ANNUAL GOVERNANCE STATEMENT 2021/22**

- 90.1 The Corporate Manager Internal Audit introduced report JAC/21/32 which was a review of both Council's governance arrangements for 2021/22.
- 90.2 Councillor Eburne asked questions regarding explaining budget setting, out of date information on internal and external communication channels and the communications strategy.
- 90.3 The Corporate Manager Internal Audit replied that the Director Corporate Resources would be asked for clarification of how the budget setting was explained to the community and the Director Customer Services would be asked to comment on concerns regarding out of date information on Connect and the Website.
- 90.4 During the debate councillors raised concerns regarding the accuracy of information and inconsistencies in information on the Council's social media channels and sought assurance that changes would be made to the governance statement following comments made in this meeting. The Corporate Manager Internal Audit stated that the relevant officers would be requested to respond to concerns raised and the Annual Governance Statement be amended as appropriate.
- 90.5 The recommendations in the report were PROPOSED by Councillor Hurren and SECONDED from Councillor Muller.

**It was RESOLVED:-**

- 1.1 That Councillors satisfy themselves that the joint Annual Statement (AGS) 2021/22(Appendix A to this report) properly reflects the governance environment and any actions to improve it.**
- 1.2 That subject to 3.1 above, the AGS be endorsed subject to the Assistant Director –Law & Governance and Monitoring Officer being authorised to make any minor amendments and corrections prior to the Statement being finalised for publication.**
- 1.3 Further that approval of any significant amendments identified by the Assistant Director – Law & Governance and Monitoring Officer be delegated to her in consultation with the Chairs of this Committee and**

**the Leaders of each Council.**

- 1.4 That it be noted that the finalised AGS will be signed by the Leader of each Council on behalf of the respective Council together with the Chief Executive on behalf of both Councils.**

**91 JAC/21/33 ANNUAL TREASURY MANAGEMENT REPORT - 2021/22**

- 91.1 The Senior Financial Business Partner, Capital & Treasury introduced report JAC/21/33.
- 91.2 Councillor Hurren asked if the rise in interest rates was detrimental to the Council, The Senior Financial Partner, Capital & Treasury replied that the gap between the interest received and the interest payable was a detriment.
- 91.3 Councillor Eburne asked why the prudential code was not going to be adopted until 2023/24, how the Cabinet were encouraging fund managers to filter investments in respect of ESG considerations and where the holding companies were scrutinised.
- 91.4 The Senior Financial Partner, Capital & Treasury replied that the next investment strategy being prepared would be for 2023/24 and the new prudential code would be taken into account, regarding ESG investments are currently in a property fund (valued above its initial investment) and multi asset funds which were below investment value and the position is under constant monitoring and the holding companies were scrutinised by Committee as part of the audit process.
- 91.5 Councillor Davies asked if more background could be included in the financial tables in future reports and why there were large differences in capital expenditure budgeted and actual figures.
- 91.6 The Senior Financial Partner, Capital & Treasury clarified that the large differences were caused by delays in the development pipeline and capital programme due to issues around materials and supplies.
- 91.7 Recommendations 3.1 and 3.2 were PROPOSED by Councillor Muller and SECONDED by Councillor Hurren.

**It was RESOLVED:-**

- 1.1 That the treasury management activity for the year 2021/22 as set out in this report and appendices be noted.**
- 1.2 That it be noted that both Councils activity was in accordance with the approved Prudential Indicators for 2021/22.**
- 91.8 Recommendation 3.3 which is for Babergh Council only was PROPOSED by Councillor Nunn and SECONDED by Councillor Norman

- 1.3 That it be noted that Babergh District Council's treasury management activity for 2021/22 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, as mentioned in Appendix C, paragraph 4.1, the Council has complied with all the Treasury Management Indicators for this period.
- 91.9 Recommendation 3.4 which is for Mid Suffolk Council only was PROPOSED by Councillor Muller and SECONDED by Councillor Davies
- 1.4 That it be noted that, except for one occasion when the Council exceeded its investment limits in two of its Money Market Funds by £500k, as mentioned in Appendix C, paragraph 4.1, Mid Suffolk District Council's treasury management activity for 2021/22 was in accordance with the approved Treasury Management Strategy and Treasury Management Indicators for this period.

## **92 JAC/21/34 FORWARD PLAN**

- 92.1 Councillor Eburne asked if a report on the changes in Commissioning and Procurement could be added to the forward plan.

The business of the meeting was concluded at 11.46 am.

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Chair