

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, 28 November 2022

PRESENT:

Councillors:	James Caston	Rachel Eburne
	Bryn Hurren (Co-Chair)	John Matthissen
	Dave Muller (Co-Chair)	Mike Norris
	Alison Owen	

In attendance:

Officers:

- Jane Kennedy – Corporate Manager Policy, Performance, Risk and Improvement
- Tereza Fairbairn – Risk Management Lead
- John Snell – Corporate Manager Internal Audit
- Jan Robinson – Deputy Monitoring Officer
- Rebecca Hewitt – Corporate Manager – Finance, Commissioning & Procurement

Guests:

- Councillor Suzie Morley
- Councillor Alastair Mccraw

Apologies:

Councillor(s) Austin Davies (Councillor John Matthissen substituting)

93 DECLARATION OF INTERESTS

93.1 There were no declarations of interests by Councillors.

94 JAC/21/35 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 25 JULY 2022

It was RESOLVED:-

That the minutes of the meeting held on 25 July 2022 be confirmed and signed as a true record.

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

95.1 None Received

96 QUESTIONS BY THE PUBLIC

96.1 None received.

97 QUESTIONS BY COUNCILLORS

97.1 None received.

98 JAC/21/36 RISK MANAGEMENT IMPROVEMENT

98.1 Councillor Morley – Mid Suffolk Cabinet Member for Digital Transformation & Improvement and Councillor McCraw Babergh Cabinet Member for Digital Transformation & Improvement introduced report JAC/21/36.

98.2 Dr Jane Kennedy – Corporate Manager Policy, Performance, Risk and Improvement explained that risk was transferred to her team earlier in the year as part of an integration with performance management and that the Senior Leadership Team had decided to adopt the Orange Book model to provide a holistic approach to risk management and it enabled the integration with performance and finance.

98.3 Councillor Eburne asked how the risk management framework was going to be aligned with the Councils culture as stated at the bottom of page 20 and what was the structure of the team and how the team sat within the organisation.

98.4 The Corporate Manager Policy, Performance, Risk and Improvement replied that the team consisted of two Policy and Strategy Lead Officers, a Performance Lead Officer, a Risk Lead Officer, a Continuous Improvement Lead Officer and other Officers underneath those leads. As part of the risk management improvement plan directorate level risk management conversations has been organised and the team were working with service managers and corporate managers to help them understand what risk is and establish risk management practices throughout all levels of the organisation.

98.5 The Risk Management Lead stated that almost all of the service areas were now using a new risk template which aligned to the orange book and a culture of positive risk management was being encouraged by upskilling officers at a certain level, providing educational resources, embedding risk into employee performance and integrating risk into reporting.

98.6 Councillor Eburne asked how Councillors were being made aware of their responsibilities regarding risk.

98.7 The Risk Management Lead replied that there would be training options for Councillors within the education and training being made available.

98.8 Councillor Eburne enquired about the risk arrangements of the councils companies and asked if a report could be brought to a future meeting. The

Corporate Manager Policy, Performance, Risk and Improvement agreed to a report being brought to a future Joint Audit and Standards meeting.

98.9 Councillor Eburne asked for an explanation of what a risk event (as stated on page 27 of the report) was.

98.10 The Corporate Manager Policy, Performance, Risk and Improvement replied that this referred to business continuity and would include events such as cyber attacks or fires or floods.

98.11 Councillor Eburne requested that the Risk Register for the Council's Companies be circulated to Members. The Corporate Manager Policy, Performance, Risk and Improvement agreed that this would be circulated.

98.12 Councillor Eburne began the debate and stated that she welcome the culture of looking at risk management that was being recommended but if councillors needed to see the entire risk picture therefore a report on the risks involved in the Councils Companies was essential.

98.13 By a vote of 7 votes for.

It was RESOLVED that members of the Joint Audit and Standards Committee note the progress so far to improve strategic risk management including the new draft risk management policy and strategy to align with the Orange Book.

99 JAC/21/37 ANNUAL COMPLAINTS MONITORING REPORT

99.1 The Chair invited Jan Robinson Deputy Monitoring Officer to introduce report JAC/21/37.

99.2 Councillor Caston asked if the formal warning for non disclosure of interests was adequate.

99.3 The Deputy Monitoring Officer stated that non disclosure of a pecuniary interests was criminal offence and a formal warning for that would be issued by the police, however the incident mentioned in the report was for a non registrable interest so a formal letter is sent stating if they continue the would be in breach of the code of conduct and the matter would be taken further.

99.4 Councillor Matthissen asked at what point would a code of conduct complaint be taken to a standards committee which he is a member of.

99.5 The Deputy Monitoring Officer replied that serious cases that the Monitoring Officer would like Councillors to look into and decide what sanctions should be taken or when a sanction is given to a councillor by the Monitoring Officer and that sanction is not carried out by the councillor would be taken to the Joint Standards Sub-Committee.

99.6 Councillor Caston asked if it was possible to take a matter for independent investigation.

99.7 The Deputy Monitoring Officer replied that this was possible depending on the seriousness of the complaint and also the Independent Persons appointed by the Council also review all complaints.

100 JAC/21/38 HALF YEAR REPORT ON TREASURY MANAGEMENT 2022/23

100.1 The Chair invited Rebecca Hewitt, Corporate Manager Finance, Commissioning & Procurement to introduce report JAC/21/38.

100.2 Councillor Matthissen asked if the climate change 2030 net zero objective was being taken into account with regards to treasury management.

100.3 The Corporate Manager Finance, Commissioning & Procurement replied that discussions were ongoing with advisors regarding any possible new investment possibilities but as had been decided previously existing investments needed to be in a position where it was possible to trade without losing too much value.

100.4 Councillor Matthissen expressed his surprise that investments were still showing losses when gas and oil companies were showing large profits and enquired if this was due to historical purchase prices.

100.5 The Corporate Manager Finance, Commissioning & Procurement replied that she did not have that detail but it would depend on the makeup of the fund as each fund has a wide spread of investments and shares.

100.6 Councillor Caston enquired what the other pooled funds were as stated in table 4: Treasury Investment Position.

100.7 The Corporate Manager Finance, Commissioning & Procurement replied that this was the collection of pooled funds.

100.8 Councillor Caston also asked what Bail-In Exposure was as stated in table 5: Investment Benchmarking.

100.9 The Corporate Manager Finance, Commissioning & Procurement replied that she would need to seek advice from the council's advisors and provide a reply outside of the meeting.

100.10 Councillor Eburne asked for more information regarding the statutory override status as stated in paragraph 1.16 on page 66 of the report.

100.11 The Corporate Manager Finance, Commissioning & Procurement replied that the consultation outcome has not been published yet therefore the impact to the Council could not yet be determined.

100.12 Councillor Eburne requested that when the consultation outcome was published it be made available to councillors.

100.13 Councillor Eburne also asked that the initial investments in the Councils

companies be included in future tables. The Corporate Manager Finance, Commissioning and Procurement said that this could be included as requested.

100.14 Councillor Caston enquired about the occasion that Mid Suffolk exceeded bank account limits. The Corporate Manager Finance, Commissioning & Procurement replied that this was due to a capital receipt being received too late to be invested but this did not result in any penalties being incurred.

100.15 Councillors debated how and when the Treasury Management Strategy should move closer towards helping to achieve the climate emergency declaration made by the Councils.

100.16 by a vote of 7 votes for.

It was RESOLVED that the Treasury Management activity for the first six months of 2022/23 as set out in the report and appendices be noted.

100.17 by a vote of 2 votes for

It was RESOLVED that it be noted that Babergh District Council's treasury management activity for the first six months of 2022/23 was in accordance with the approved Treasury Management Strategy, and that the Council has complied with all the Treasury Management Indicators for this period.

100.18 by a vote of 5 votes for

It was RESOLVED that it be noted that Mid Suffolk District Council's treasury management activity for the first six months of 2022/23 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.

101 JAC/21/39 INTERIM INTERNAL AUDIT REPORT 2022/23

101.1 The Chair invited John Snell, Corporate Manager – Internal Audit to present report JAC/21/39.

101.2 Councillor Caston asked for more information on the Safeguarding audit. The Corporate Manager – Internal Audit explained that the audit was added to the plan to look at the legislative duties that the councils have at officer and member level.

101.3 Councillor Norris asked if there was a target completion date for the General Ledger Audit which has been given a limited assurance audit opinion. The Corporate Manager – Internal Audit stated that the follow up work would commence at the beginning of 2023.

101.4 Councillor Eburne asked for a comment on the Contract Management Audit. The Corporate Manager – Internal Audit stated that the East Of England LGA were

commissioned to do some work around contract management which was delayed by the pandemic. The delayed report had been received and a period of embedment had been undertaken with the results of the health check of this work being shown on page 84 of the report. To supplement that piece of work another piece of work around contract spend was being undertaken in quarter 4.

101.5 Councillor Eburne enquired if the audit for Council House Rent Setting included consideration of external factors such as inflation or cost of living. The Corporate Manager – Internal Audit replied that this audit took into consideration internal factors only.

101.6 Councillor Matthissen asked if the Corporate Manager – Internal Audit felt that the recommendations from the peer reviews had been carried through, the Corporate Manager – Internal Audit replied that the recommendations from the peer reviews were not part of the audit plan for the year.

It was RESOLVED that the contents of the Internal Audit report supported by Appendix A, be noted.

102 JAC/21/40 FORWARD PLAN

102.1 Councillor Eburne asked why the Statement of Accounts and Auditors report on the forward plan for January was for 18 months ago and when the report for 2021/22 was expected. The Corporate Manager Finance, Commissioning and Procurement stated that there had been audit delays, the 2020/21 audit was started in March 2022 and this was still to be completed imminently and there is not currently a date agreed for the following years audits to be started.

102.2 Councillor Eburne asked if there was any pressure that could be put on the auditors to make them complete the audits in a more timely fashion. The Corporate Manager Finance, Commissioning and Procurement replied that conversation were taking place however because of the timing of the delays and budget works being undertaken it has been difficult to catch up and get back to the correct cycle. This situation was fairly common particularly with smaller district councils who do not have specialist resource to support the audits.

The business of the meeting was concluded at 11.50am.

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Chair