

# Public Document Pack



<b>COMMITTEE:</b>	<b>JOINT AUDIT AND STANDARDS COMMITTEE</b>
<b>DATE:</b>	<b>WEDNESDAY, 22 MARCH 2023 2.00 PM</b>
<b>VENUE:</b>	<b>KING EDMUND CHAMBER, ENDEAVOUR HOUSE, 8 RUSSELL ROAD, IPSWICH</b>

<b>Members</b>		
<u>Conservative</u> Sue Ayres James Caston Dave Muller (Co-Chair) Zachary Norman	<u>Green Party</u> Austin Davies Rachel Eburne  <u>Independent</u> John Nunn  <u>Liberal Democrat</u> Bryn Hurren (Co-Chair) Mike Norris	<u>Labour</u> Alison Owen

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## **AGENDA**

### **PART 1**

#### **MATTERS TO BE CONSIDERED WITH THE PRESS AND PUBLIC PRESENT**

Page(s)

**1 SUBSTITUTES AND APOLOGIES**

Any Member attending as an approved substitute to report giving his/her name and the name of the Member being substituted.

**2 DECLARATION OF INTERESTS**

Members to declare any interests as appropriate in respect of items to be considered at this meeting.

**3 JAC/21/45 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 30 JANUARY 2023 5 - 12**

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

5        **QUESTIONS BY THE PUBLIC**

To consider questions from, and provide answers to, the public in relation to matters which are relevant to the business of the meeting and of which due notice has been given in accordance with the Committee and Sub-Committee Procedure Rules.

6        **QUESTIONS BY COUNCILLORS**

To consider questions from, and provide answer to, Councillors on any matter in relation to which the Committee has powers or duties and of which due notice has been given in accordance with the Committee and Sub-Committee Procedure Rules.

7	<b>JAC/21/46 MANAGING THE RISK OF FRAUD AND CORRUPTION ANNUAL REPORT 2022/23</b>	13 - 22
8	<b>JAC/21/47 INTERNAL AUDIT PLAN 2023/24</b>	23 - 34
9	<b>JAC/21/48 COMPLAINTS MONITORING REPORT</b>	35 - 38
10	<b>JAC/21/49 FORWARD PLAN</b>	39 - 40

Report by the Corporate Manager – Democratic Services attached.

**Date and Time of next meeting**

Please note that the next meeting is scheduled for Monday, 31 July 2023 at 10.30 am.

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact the Committee Officer B.Webb on: 01449 724683 or Email: [Committees@baberghmidsuffolk.gov.uk](mailto:Committees@baberghmidsuffolk.gov.uk)

### **Introduction to Public Meetings**

Babergh/Mid Suffolk District Councils are committed to Open Government. The proceedings of this meeting are open to the public, apart from any confidential or exempt items which may have to be considered in the absence of the press and public.

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# Agenda Item 3

## BABERGH AND MID SUFFOLK DISTRICT COUNCILS

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, 30 January 2023

### PRESENT:

Councillors:	James Caston	Austin Davies
	Rachel Eburne	Bryn Hurren (Co-Chair)
	David Muller (Co-Chair)	Mike Norris
	John Nunn	Alison Owen

### In attendance:

Officers:

- Director, Corporate Resources (ME)
- Corporate Manager – Finance, Commissioning & Procurement (RH)
- Deputy Monitoring Officer (JR)
- Governance Officer (BW)

### 103 DECLARATION OF INTERESTS

None declared.

### 104 JAC/21/41 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 28 NOVEMBER 2022

It was **RESOLVED**: -

**That, subject to the addition of the comment from Councillor Eburne requesting that the risk register for the Council's Companies be shared with Members as agreed by officers, the minutes of the meeting held on 28 November 2022 be confirmed and signed as a true record.**

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

None received.

### 106 QUESTIONS BY THE PUBLIC

None received.

### 107 QUESTIONS BY COUNCILLORS

None received.

### 108 JAC/21/42 JOINT CAPITAL, INVESTMENT AND TREASURY MANAGEMENT STRATEGIES 2023/24

108.1 The Corporate Manager – Finance, Commissioning and Procurement,

introduced the report to the committee highlighting the key points in the report and giving an overview of the contents of the appendices.

108.2 Councillor Hurren questioned whether the debt was primarily on the HRA side, and whether these were split in the report. The Corporate Manager – Finance, Commissioning and Procurement responded that the debts for each budget were split in the report. The Director – Corporate Resources confirmed that for Mid Suffolk the HRA loans were £69 million, and CIFCO loans were £22.5 million, and for Babergh the HRA loans were £83 million, and CIFCO loans were £11.25 million.

108.3 Councillor Hurren queried the pension debt and whether the figures were an indication of how far behind the Councils were on their contributions. The Director – Corporate Resources responded that these were the deficit of the pension contributions, however these figures had decreased since the last evaluation.

108.4 Councillor Caston questioned the Capital Expenditure of under £10,000K not being capitalised and charged to revenue for the year, and whether this was in line with other councils. The Director – Corporate Resources responded that this had been agreed with auditors and was an accounting policy agreed in the statement of accounts. This was also in line with the level set by West Suffolk and was a consistent level to be set.

108.5 Councillor Caston queried the tables on page 41 as the Mid Suffolk figures were duplicated. The Corporate Manager – Finance, Commissioning and Procurement responded that the top table in the report was the correct one.

108.6 Councillor Eburne asked for clarification on point 4.4 regarding the decrease in government funding with the Revenue Support Grant in the accounts. The Director – Corporate Resources responded that the Revenue Support Grant had already been factored into services grants, such as for Council Tax.

108.7 Councillor Eburne queried whether the report went to Council for approval if no changes were made. The Director – Corporate Resources responded that the report would be approved by full Council, and that if there were changes made during the year these would also get reported to Council.

108.8 Councillor Eburne highlighted that the Climate Change Task Group had been disbanded and that mention of this in the report needed to be changed. The Director – Corporate Resources responded that this would be amended.

- 108.9 Councillor Eburne asked for further information on point 4.11 in the report regarding the Council's cash flow and the impact from the timing of support payments from Central Government. The Director – Corporate Resources responded that grants for businesses now needed to be paid back, and reconciliations on other payments that had not been confirmed yet. Additionally, some payments had been made up front whereas others were made as top up payments.
- 108.10 Councillor Muller questioned the figure of £17.4 million for Mid Suffolk's Capital Expenditure in the 23/24 budget, and how this had been arrived at. The Corporate Manager – Finance, Commissioning and Procurement responded that this figure was higher than usual as £10.8 million had been set aside for Gateway 14, and £6.7 million had been set aside for Mid Suffolk Growth.
- 108.11 Councillor Davies queried the mention of EU State Aid rules in the paper and whether these still needed to be followed. Corporate Manager – Finance, Commissioning and Procurement responded that whilst the EU State Aid rules no longer needed to be followed there was an equivalent subsidy control that needed to be followed. This would be updated within the report.
- 108.12 Councillor Davies queried the repayment of loans under the Maturity Structure of Borrowing as currently 30% were repaid in less than 12 months, and what structure would be used for the £43 million borrowing from Mid Suffolk. The Corporate Manager – Finance, Commissioning and Procurement responded that much of the less than 12 months borrowing had been for Gateway 14 and growth companies as there was anticipated receipts. Going forward it was not known what maturity would be used for 23/24 as borrowing was set within limits and spread between maturities. The structure would be looked at with the consultants Arlingclose to determine what periods these would be for.
- 108.13 Councillor Davies questioned whether longer term loans would be preferred. The Director – Corporate Resources responded that due to current interest rates being high, shorter-term rates were preferred until interest rates dropped.
- 108.14 Councillor Eburne asked why the borrowing rate for Mid Suffolk for 23/24 was so high at £25.67 million given the receipts from Gateway 14, and its contrast with the loan repayment for 22/23 of £26.96 million. The Director for Corporate Resources responded that the £25.67 million had come down from short term before the Gateway 14 capital receipt which was closer to £40 million. This was higher than the capital receipt due to the new capital programme as whilst some short term debt would be able to be paid, more would need to be borrowed.

- 108.15 Councillor Eburne queried point 4.4 on page 25 of the report stating that the Councils do not borrow to invest for the purpose of financial return, however this had been done in the past for CIFCO. The Director Corporate Resources replied that the borrowing for CIFCO had been before the rules changed and that this would be made clearer in future.
- 108.16 Councillor Eburne asked for clarification on the difference on the gross costs of the HRA for each council. The Director – Corporate Resources replied that the loans and rated would be shared with Members outside of the meeting.
- 108.17 Councillor Eburne queried whether to meet the capital strategy for the HRA the increase in weekly rents for each Council would go up by the amounts contained in table 10. The Corporate Manager – Finance, Commissioning and Procurement replied that this was a required prudential indicator, and rents would not be increased by the amounts in the table. The figures were the amount needed to finance borrowing costs and as Babergh were funding through reserves, they would need less borrowing to fund their capital programme.
- 108.18 Councillor Hurren suggested that the HRA debt, and percentage of what had been paid back should be a separate chart in the report.
- 108.19 Councillor Caston questioned the Lender's Option Borrower's Option (LOBOs) and whether loan amounts could be paid from reserves, and whether there was a policy in place to pay these back if interest rates increase from lenders. The Corporate Manager Finance Commissioning and Procurement responded that there was not currently a policy in place regarding repayment, additionally reserves may not be sufficient to repay these so borrowing may be required.
- 108.20 Councillor Davies queried the unrealised capital losses and when these would be realised and what level would they be. The Corporate Manager Finance, Commissioning and Procurement responded that local governments had a statutory override that means the revenue budget is not affected.
- 108.21 Councillor Eburne highlighted that the profit generating investment activity should be split for both councils within the report. The Corporate Manager Finance, Commissioning and Procurement responded that this would be made clearer in the report.
- 108.22 Councillor Caston asked if there was any interest on internal borrowing. The Corporate Manager Finance, Commissioning and Procurement



responded that the only instance of internal interest was on borrowing between the HRA and General Fund.

108.23 Councillor Caston queried whether the fees paid to Arlingclose were an annual expense, or an ad hoc basis, and whether these figures should be in the report. The Corporate Manager Finance, Commissioning and Procurement responded that Arlingclose were paid an annual fee, and this was published under the contracts register.

108.24 Councillor Eburne queried how the target credit score of 7 had been calculated, and whether this was in line with other councils. The Director – Corporate Resources responded that a response would be provided outside of the meeting.

108.25 Councillor Eburne on page 70 discussion about Minimum Revenue Provision (MRP), what funds are needed for that and how it had changed, further explanation on that against (Capital Financing Requirement) CFR. The Director Corporate Resources responded that MRP funds were always built in when there was a borrowing programme in the capital programme. Additionally, as the CFR increased the element from borrowing was related to the MRP and this was the capital element of the borrowing. The Corporate Manager Finance, Commissioning and Procurement added that MRP did not apply to the HRA.

108.26 Members agreed that the following actions should be reported back to the committee:

- That a breakdown of the HRA be provided.
- That HRA interest rates be included in future Joint Capital, Investment and Treasury Management Strategy reports.
- That separate reports for each council be considered in the future.
- That for Mid Suffolk a policy is considered on LOBOs, and a breakdown of where funding for them would come from.

108.27 Councillor Hurren proposed the recommendations as set out in the report subject to amendments and comments from the committee be added to the report following the meeting.

108.28 Councillor Muller seconded the motion.

By a unanimous vote.

**It was RESOLVED: -**

**That subject to amendments and comments that were made at the meeting being added that the following be approved:**

**1.1 The Joint Capital Strategy for 2023/24, including the Prudential Indicators, as set out in Appendix A.**

**1.2 The Joint Investment Strategy for 2023/24, as set out in Appendix B.**

**1.3 The Joint Treasury Management Strategy for 2023/24, including the Joint Annual Investment Strategy as set out in Appendix C.**

**1.4 The Joint Treasury Management Indicators as set out in Appendix D.**

**1.5 The Joint Treasury Management Policy Statement as set out in Appendix G.**

**1.6 The Joint Minimum Revenue Provision Statement as set out in Appendix H.**

**1.7 That the key factors and information relating to and affecting treasury management activities set out in Appendices E, F, and I be noted.**

**109 JAC/21/43 COMPLAINTS MONITORING REPORT**

109.1 The Chair invited Jan Robinson, Deputy Monitoring Officer, to introduce report JAC/21/43. The Deputy Monitoring Officer highlighted that with the new code of conduct there was still confusion over declarations of interest and that training would be provided in the next municipal year.

109.2 Councillor Caston questioned whether there could be multiple complaints on the same issue. The Deputy Monitoring Officer responded that there could be multiple complaints made on the same issue by Councillors and members of the public present at a meeting.

109.3 The Complaints Monitoring Report was noted.

**110 JAC/21/44 FORWARD PLAN**

110.1 The Corporate Manager Finance, Commissioning & Procurement outlined that due to the audit being completed following the March meeting, the Statement of Accounts and Auditors Report would be moved to the July meeting.

110.2 The Forward Plan was noted.

The business of the meeting was concluded at 11.46am.

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Chair



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# Agenda Item 7

## BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

<b>COMMITTEE:</b> Joint Audit and Standards Committee	<b>REPORT NUMBER:</b> <b>JAC/21/46</b>
<b>FROM:</b> John Snell – Corporate Manager – Internal Audit	<b>DATE OF MEETING:</b> 22 <sup>nd</sup> March 2023
<b>OFFICER:</b> John Snell – Corporate Manager – Internal Audit	<b>KEY DECISION REF NO.</b> N/A

### MANAGING THE RISK OF FRAUD AND CORRUPTION ANNUAL REPORT 2022/23

#### 1. PURPOSE OF REPORT

- 1.1 This report explains the current arrangements in place across both Councils to ensure there is a pro-active corporate approach to preventing fraud and corruption and creating a culture where fraud and corruption will not be tolerated. It also provides details of proactive work undertaken by Internal Audit to deter, prevent and detect fraud and corruption.
- 1.2 Internal audit has an important role to play in ensuring that management has effective systems in place to detect and prevent corrupt practices within the organisation. This is part of its normal role of supporting management along with the Joint Audit and Standards Committee oversight of risk management. However, it is not the job of internal audit directly to detect or prevent corrupt practices - this is the responsibility of management. Internal audit's role includes promoting anti-fraud and anti-bribery best practice, testing and monitoring systems and advising on change where it is needed.

#### 2. RECOMMENDATIONS

- 2.1 That the contents of this report detailing the progress made in ensuring there are effective arrangements and measures in place across both Councils to minimise the risk of fraud and corruption be noted.

#### REASON FOR DECISION

Anti-fraud and corruption work form an important part of the Councils' corporate governance and internal control framework arrangements.

#### 3. KEY INFORMATION

- 3.1 This report shows those responsible for governance how both Councils are looking to fight fraud and corruption more effectively. It brings together in one document a summary of the outcomes of our work to deter, prevent and detect fraud and corruption over the last 12 months.
- 3.2 Although both Councils have traditionally encountered low levels of fraud and corruption, the risk of such losses both internally and externally is fully recognised as part of each Council's operations that need to be managed proactively and effectively.

### **Levels of officer responsibility**

- 3.3 The Corporate Manager – Internal Audit is responsible for the development and maintenance of a Prevention of Financial Crime Policy and ensuring that Councillors and staff are aware of its content; and ensuring that there is a proactive approach to fraud prevention, detection and investigation and promotes a council wide anti-fraud culture across both Councils.
- 3.4 Internal Audit will support management by advising on controls to prevent and detect fraud and help build anti-fraud awareness amongst staff. However, ownership of detection and fraud lies with management, and not Internal Audit.

### **Internal Audit**

- 3.5 Fraud and corruption risks are identified as part of the annual planning process and contributes to the overall formation of audit coverage. Under the Public Sector Internal Audit Standards (PSIAS) we consider aspects of fraud risk in planning all audits.
- 3.6 Whilst it is not a primary role of an internal audit function to detect fraud, it does have a role in providing an independent assurance on the effectiveness of the processes put in place by management to manage the risk of fraud, and where necessary investigating the causes of fraud and responding to whistleblowing allegations.
- 3.7 The annual Audit Plan has an allowance for Internal Audit to undertake irregularity investigations, National Fraud Initiative (NFI) related work, and proactive anti-fraud and corruption work. This is at a level deemed proportionate to the identified risk of fraud within the Councils and is supported by senior management.
- 3.8 The Senior Auditor successfully completed the CIPFA Fraud Technician Accredited Qualification in September 2022, which covered law relevant to fraud, including procedural and evidential frameworks for fraud investigations, as well as an overview of the civil and criminal justice systems dealing with fraud. This qualification will further enhance the team's counter fraud knowledge and experience from both a proactive and reactive perspective. Further fraud qualifications will be considered in due course.

### **Fraud Risk Register**

- 3.9 Part of delivering good governance as defined by CIPFA/SOLACE is ensuring counter fraud arrangements are in place and operating effectively.
- 3.10 Internal Audit has produced a Fraud Risk Register, which contains a list of areas where Internal Audit and Corporate Managers believe the Councils are susceptible to fraud. The register enables the Councils to focus on suitable internal controls to mitigate any subsequent risk. The register also influences the audit planning process.

## **Policies and Procedures**

3.11 The Councils are committed to ensuring that the opportunity for fraud and corruption is minimised, which is supported by the Prevention of Financial Crime Policy.

### **Pro-active Anti-Fraud Work**

#### *Raising awareness*

3.12 Work continues on raising fraud awareness across both Councils and includes:

- Raising Money Laundering awareness through a series of presentations to all Corporate Managers. This was followed up with compulsory online e-learning module for all staff to complete. This training will enable employees to recognise suspicious transactions and what to do if they identify them. The completed module will automatically be filed on everyone's personal records. This will also form part of the induction programme for new employees.
- The developed corporate 'Values' was used as an opportunity to remind staff of the Councils' Whistleblowing arrangements and how we as an organisation want to create an open and supportive culture, where staff feel comfortable in raising concerns when they feel something is wrong without fear of the consequences.
- Reminder to Councillors and staff on their responsibilities around gifts and hospitalities. This will now include annual checks undertaken by Internal Audit that will also include Declaration of Interests.
- Promoting best practise within the Councils, such as how to encrypt PDFs to prevent records being fraudulently altered.
- Alerting staff of National Fraud Bulletins, where relevant, to ensure that related internal controls are present and operating effectively.
- Subscription to the National Anti-Fraud Network, which provides proactive intelligence of potential fraud and error risks.
- The Councils, through the Shared Revenues Partnership, continue to give out a strong message about fraud in both publicly issued and internal documents regarding Council Tax and Housing Benefit claim forms.
- Fair Processing Notices, which inform the public that we will use their data for the prevention and detection of crime, have been updated as part of the General Data Protection Regulations (GDPR).
- Attending the Organised Fraud and Intelligence Group (OFIG) 'Internal Fraud' webinar to alert the Councils to fraud trends nationally and to further strengthen internal controls to mitigate fraud.
- Both Councils are committed to being open and transparent. The Department for Levelling Up, Housing and Communities (DLUHC) Code of

Recommended Practice for Local Authorities on Data Transparency has set out data publishing requirements on Local Authorities. This includes publishing information on each Council's counter fraud work.

### *Suffolk Counter Fraud Group*

To help fight fraud and corruption locally each Council across Suffolk have nominated a representative to sit on the Suffolk Counter Fraud Group and meet regularly.

3.13 The objectives of the group are:

- Keep up to date with national developments in relation to fraud, e.g., Strategies, Counter Fraud Profession, what other Local Authorities are doing;
- Identify and share emerging national and local fraud risks;
- Explore possibility of sharing and matching data held by Local Authorities to identify possible fraud or error;
- Explore possibility of joint working and sharing resources for proactive exercises utilising limited resources across Suffolk Local Authorities;
- Share material/resources/ideas of promoting fraud awareness amongst staff and Councillors;
- Joint training of staff where appropriate and beneficial;
- Share best practice in relation to working arrangements, investigations and case management; and
- Investigate cases jointly where appropriate.

### *Councils leading the way in fraud prevention*

3.14 The Councils' Shared Revenues Partnership team has been recognised by the Department for Working Pensions (DWP) for their work to reduce fraud and error in Housing Benefit payments.

3.15 In conjunction with the Department for Work and Pensions (DWP) and HM Revenue and Customs (HMRC) the SRP use the Verify Earnings and Pensions (VEP) service to ensure data in respect of Housing Benefit claimants is up to date. Between February 2022 and December 2022 using the data received via VEP alerts SRP have identified £5,557.39 worth of overpayments for Babergh (62 cases) and £9,302.87 worth of overpayments for Mid Suffolk (90 cases). These cases are classified as 'claimant error' for which the councils receive 40% subsidy back from Central Government. The Councils are also entitled to recover the overpayment of benefit through clawback from existing claimants or through invoice payment arrangements where they are no longer claiming.



### *Fraud update from the Shared Revenues Partnership (SRP)*

- 3.16 From September 2021 SRP ceased to undertake Risk Based Verification. Due to the increase in data available to minimise fraud and error, SRP moved to a Localised Verification Framework (LVF).
- 3.17 The LVF has utilised expertise from within SRP to develop an evidence framework that works in conjunction with our e-form to adjust evidence requests in real time. This approach reduces the need for customers to gather evidence already available to SRP and minimises staff time spent waiting for and processing unnecessary documentation.
- 3.18 Customers will be informed of the evidence requirement at the point they submit their claim online and will be asked to upload any documents required. Officer's will be able to see what evidence has been requested and will receive a checklist of information which can be checked against Government data sharing portals to verify the details provided by the applicant.

The SRP secured funding from Suffolk County Council to carry out a monthly review of single resident discount during 2022/23. Although work continues on the monthly review, the current number of discounts removed, and the value of debt created since April 2022 is shown below:

	Number Removed	Value for 2022/23
Babergh	167	£55,018
Mid Suffolk	182	£64,035

- 3.19 The removal of these discounts will generate an additional £73,000 (BDC), £77,000 (MSDC). Note this is the overall total to be shared between preceptors.
- 3.20 The percentage of single person discounts as a proportion of the overall taxbase is 30.46% (BDC) and 28.56% (MSDC). The national average is 32.93%.

### **Fraud Referrals to the Councils**

- 3.21 Since the launch of our Fraud Referral platform and Customer Services assistance in December 2022, Babergh District Council and Mid Suffolk District Council has received a total of 23 fraud referrals from the general public.

### **Referrals**

Category	BDC	Outcomes	MSDC	Outcomes
Single Person Discount Council tax	7	3 discounts removed. 1 eligible.	8	5 eligible. 3 unfounded allegations.

		3 ongoing investigations.		
Business Rates	2	Both cases passed to Licensing for investigation into allegations.	1	Ongoing investigation.
Planning Enforcement	1	Planning Enforcement already aware and case officer assigned.	0	N/A
Tenancy Services	1	Allegations of theft. Passed to Police - no evidence – case closed.	0	N/A
Benefits	1	Referred to Universal Credits.	1	Caution given. Shared Legal Service advised not in the public interest to take to court. Case closed.
Covid-19 Business Grants	0	N/A	1	Grant recipient invoiced. Ongoing.
<b>Total</b>	<b>12</b>		<b>11</b>	

### National Fraud Initiative (NFI)

- 3.22 The NFI is an exercise that matches electronic data held within, and between public and private sector bodies to prevent and detect fraud. All mandatory participants, including Councils, must provide data for matching with other organisations.
- 3.23 The NFI exercise takes place every two years, with the latest main data extraction completed in December 2022, as part of the 2021/22 exercise. The Elections and Single Person Discount Council tax data annual upload was also completed in December 2022. The release of the matches was delayed due to NFI experiencing system update problems. Consequently, the matches were released in February 2023, approx. 2 weeks later than previous years.
- 3.24 Internal Audit take a leading role in co-ordinating this exercise across both Councils and with the Shared Revenues Partnership (SRP) working across service areas to support staff in providing data and subsequently investigating and recording the results of matches. Resource levels do not allow all NFI matches to be investigated and an assessment of those that appear to be of a higher risk for examination must be carried out. Higher risk matches are those defined as having a strong match that identifies an individual, e.g., same Date of Birth and National Insurance number.
- 3.25 The results of this exercise will be reported later in the year when matches have been reviewed and processed by all service areas.
- 3.26 Business grants data continues to be added to this year's upload to NFI to assist in the detection of fraudulent applications. This is currently a mandatory exercise.

## Housing tenancy fraud investigations

3.27 No housing tenancy fraud investigations or concerns have been identified other than the those cases identified through the NFI exercise, where potential fraud or error may have occurred. These cases are currently being looked into.

## Right to Buy (RTB)

3.28 No Right to Buy concerns have been reported during 2022/23.

## COVID-19 implications

3.29 In response to COVID-19, the Government provided funding through Local Authorities to support businesses. A member of the Internal Audit team is continuing to support the Business Cell in the post-event assurance undertaken by liaising and reporting to HMRC and the Department for Business, Energy & Industry Strategy (BEIS). This work will continue until all grants have been verified by BEIS.

## Energy Grant repayments

3.30 The Finance Team take the lead for paying these grants (£150). A member of the Internal Audit team supports the Energy Grant business cell, ensuring the appropriate governance arrangements are in place.

3.31 It is likely that local authorities will be expected to provide the same level of assurance as the COVID-19 business grants. To that effect, the Councils have applied their debt recovery process where grants have been paid and it has later been discovered the receiving parties did not qualify.

This resulted in:

### Babergh District Council

	Invoices	Total value £
Total Invoiced	27	4,050
Paid invoices	16	2,400
Invoices cancelled (As the recipients were able to provide further evidence of their eligibility)	2	300
Unpaid invoices	9	1,350

### Mid Suffolk District Council

	Invoices	Total value £
Total Invoiced	21	3,150
Paid invoices	14	2,100
Invoices being paid by instalments	1	150
Unpaid invoices	6	900

3.32 Attempts will continue to liaise with the recipients who have not yet cleared their debts. Should this not be successful, the debt will be passed to BEIS as per guidelines, and the Councils will not be liable for the debt.

### **Conclusions**

3.33 The Councils remain committed to providing services carried out in accordance with the highest ethical standards and takes steps to investigate all concerns arising.

### **Looking ahead/Future developments**

3.34 Some areas where a focus can be expected for 2023/24 follows:

- Continue ongoing NFI exercise;
- Ongoing COVID-19/Omicron support work around business grants (reconciliation returns to BEIS and HMRC);
- Supporting the Business Cell by providing a level of assurance over the administration of energy rebate payments recently announced by Government;
- Supporting both Councils to improve levels of awareness of fraud risks amongst staff;
- Continue collaborating with neighbouring councils to share knowledge and expertise on anti-fraud and corruption measures through the Suffolk Fraud Group; and
- Continue to coordinate and manage the online fraud referral platform on our website and through Customer Services to mitigate fraud within our districts.

## **4. LINKS TO JOINT CORPORATE PLAN**

4.1 Work undertaken to reduce fraud and enhance the Councils' anti-fraud and corruption culture contributes to the delivery of all its aims and priorities.

## **5. FINANCIAL IMPLICATIONS**

5.1 Whilst there are no direct implications arising from this report, given the low levels of fraud detected, there are potential resource implications concerning anti-fraud and corruption issues. Any implications arising from the need to introduce additional controls and mitigations will be addressed with management. The emphasis always will be to improve controls without increasing costs or jeopardising efficient and compliant service delivery.

## **6. LEGAL IMPLICATIONS**

6.1 There are no legal implications arising from these proposals.

## 7. RISK MANAGEMENT

7.1 Key risks are set out below:

Key Risk Description	Likelihood 1- 4	Impact 1- 4	Key Mitigation Measures	Risk Register
BMSDC may fail to identify fraud, corruption and bribery	Unlikely 2	Bad 3	<p>The risk of fraud and corruption in relation to each Councils' activities is taken into consideration both as part of each Councils' approach to risk management and also in the development of the annual Internal Audit Plan. In practice, each Councils' mitigating controls include clear policies and procedures available to all staff and Councillors; Internal Audit who investigate potential areas of fraud and corruption; the bi-annual participation in the National Fraud Initiative; and a sound internal control environment – as demonstrated by internal and external audit opinions and the Annual Governance Statement.</p> <p>The production of an annual report helps mitigate its reputational risk by providing assurance to stakeholders on how the risks are managed.</p>	To be entered onto the Significant Risk Register.

## 8. CONSULTATIONS

8.1 During preparation this report has been shared with both Chairs of the Joint Audit and Standards Committee; the Section 151 Officer and the Assistant Director, Law and Governance and Monitoring Officer. Any comments received have been incorporated in the report.

## 9. EQUALITY ANALYSIS

9.1 An equality analysis has not been completed because the report content does not have any impact on the protected characteristics.

## 10. ENVIRONMENTAL IMPLICATIONS

10.1 There are no environmental implications arising from this report.

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# Agenda Item 8

## BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

<b>COMMITTEE:</b> Joint Audit and Standards Committee	<b>REPORT NUMBER:</b> JAC/21/47
<b>FROM:</b> Corporate Manager – Internal Audit	<b>DATE OF MEETING:</b> July 2023
<b>OFFICER:</b> Corporate Manager – Internal Audit & Data Protection	<b>KEY DECISION REF NO.</b>

### INTERNAL AUDIT PLAN 2023/24

#### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to inform Councillors of the proposed Internal Audit Plan for the next financial year 2023/24 and provide Councillors with a review of the variety and scope of projects and corporate activities that will be supported through the work of the team.

#### 2. OPTIONS CONSIDERED

- 2.1 The Public Sector Internal Audit Standards require that a risk-based plan of internal audit is produced. There are no alternative options to consider.

#### 3. RECOMMENDATIONS

- 3.1 That the contents of this Internal Audit report, supported by Appendix A, be noted.

#### REASON FOR DECISION

For the Committee to note Internal Audit's plan of work for 2023/24.

#### 4. KEY INFORMATION

- 4.1 Each Council is required by statute to maintain an adequate and effective Internal Audit function, which forms an integral part of each Council's corporate governance, risk management and internal control arrangements. It is therefore essential that the Internal Audit Plan directs resources to areas of highest risk and has the approval and support of senior management and Councillors.
- 4.2 The preparation and development of the Internal Audit Plan is described in more detail in Appendix A below. The plan will be kept under review to ensure it reflects the evolving risk profile and priorities of the Councils going forward. Should significant amendments be necessary these will be discussed with senior management, including the Section 151 Officer and, where deemed necessary, reported back to this Committee.

## 5. LINKS TO JOINT CORPORATE PLAN

The delivery of a comprehensive Internal Audit service supports the Councils' Corporate Plan helping to ensure that the right people are doing the right things, in the right way, at the right time, for the right reasons.

- 5.1 Appendix A provides a summary of the proposed work under each of the Councils' Strategic Priorities. This work will contribute to the 2023/24 Internal Audit opinion on the Councils' control environment provided by the Corporate Manager – Internal Audit, as required by the Accounts and Audit (England) Regulations 2015.

## 6. FINANCIAL IMPLICATIONS

- 6.1 Whilst there are no direct financial implications arising from this report, as the Internal Audit plan will be funded from within approved budgets, there are positive impacts on the overall financial control environment from the operation of a robust internal audit plan.

## 7. LEGAL IMPLICATIONS

- 7.1 There are no direct legal implications arising from this report.

## 8. RISK MANAGEMENT

- 8.1 The key operational risk is set out below:

Key Risk Description	Likelihood 1- 4	Impact 1- 4	Key Mitigation Measures	Risk Register
Internal controls within each Council may not be efficient and effective. As a result, each Council may not identify any significant weakness that could impact on the achievement of their aims and/or lead to fraud, financial loss or inefficiency.	Unlikely 2	Bad 3	Councillors receive and note the internal audit work programme and other reports on internal controls throughout the year. The work programme is based on an assessment of risk for each system or operational area.	Internal Audit Operational Risk Register

## 9. CONSULTATIONS

- 9.1 The Internal Audit Plan was presented to the Senior Leadership Team (SLT) including the S151 Officer as part of the audit planning process.
- 9.2 As part of the preparation for this Plan, the Corporate Manager – Internal Audit engaged with senior management to identify their views of the coming year's risks linked to the Corporate Plan and Delivery Programme, and to gather and map risk assurance across the Councils' functions.



9.3 This report has been shared with both Chairs of the Joint Audit and Standards Committee.

**10. EQUALITY ANALYSIS**

10.1 An equality analysis has not been completed as the report content does not have any impact on the protected characteristics.

**11. ENVIRONMENTAL IMPLICATIONS**

11.1 There are no environmental implications arising from this report.

**12. APPENDICES**

Title	Location
(a) Detailed Proposed 2023/24 Internal Audit Plan	Attached

**13. BACKGROUND DOCUMENTS**

13.1 There are no further documents.

Authorship:

John Snell  
Corporate Manager – Internal Audit

01473 825822/ 01449 724567  
[john.snell@baberghmidsuffolk.gov.uk](mailto:john.snell@baberghmidsuffolk.gov.uk)

### 1. Approach to Audit Planning

- 1.1 The provision of a risk based Internal Audit Plan consistent with each Council's priorities is an essential part of ensuring probity and soundness of each Council's internal controls, risk exposure and governance framework.
- 1.2 The scope of internal audit work is planned to cover all operational and management controls (including governance and risk management arrangements) and is not restricted to the audit of systems and controls necessary to form an opinion on the financial statements. This does not imply that all systems are subject to review but were included in the audit needs assessment and considered for review following the assessment of risk.
- 1.3 There is due consideration in planning this work to ensure that Internal Audit maintains its objectivity and independence. The prioritisation of unplanned work will also take account of the requirements of the approved audit plan.
- 1.4 In line with the Councils' Internal Audit Charter the plan has been constructed to ensure that it delivers against the Public Sector Internal Audit Standards (PSIAS) and the requirement to produce an annual Head of Internal Audit opinion. In doing this it can be confirmed that the plan covers the following activities:
  - Governance processes
  - Monitoring
  - Ethics
  - Information and Information Technology governance
  - Risk management
  - Fraud management
- 1.5 The planning process also recognises that the Councils' are continuing to strive to improve services and use innovative approaches in addressing service delivery against a background of reducing resources.

### 2. Internal Audit Resources 2023/24

- 2.1 The Audit Plan will continue to be resourced from existing staff and from an external audit partner. This arrangement still allows a direct internal provision plus the commissioning of external skills and capacity and provides a blend of resources from within the Councils and from an external partner of services.

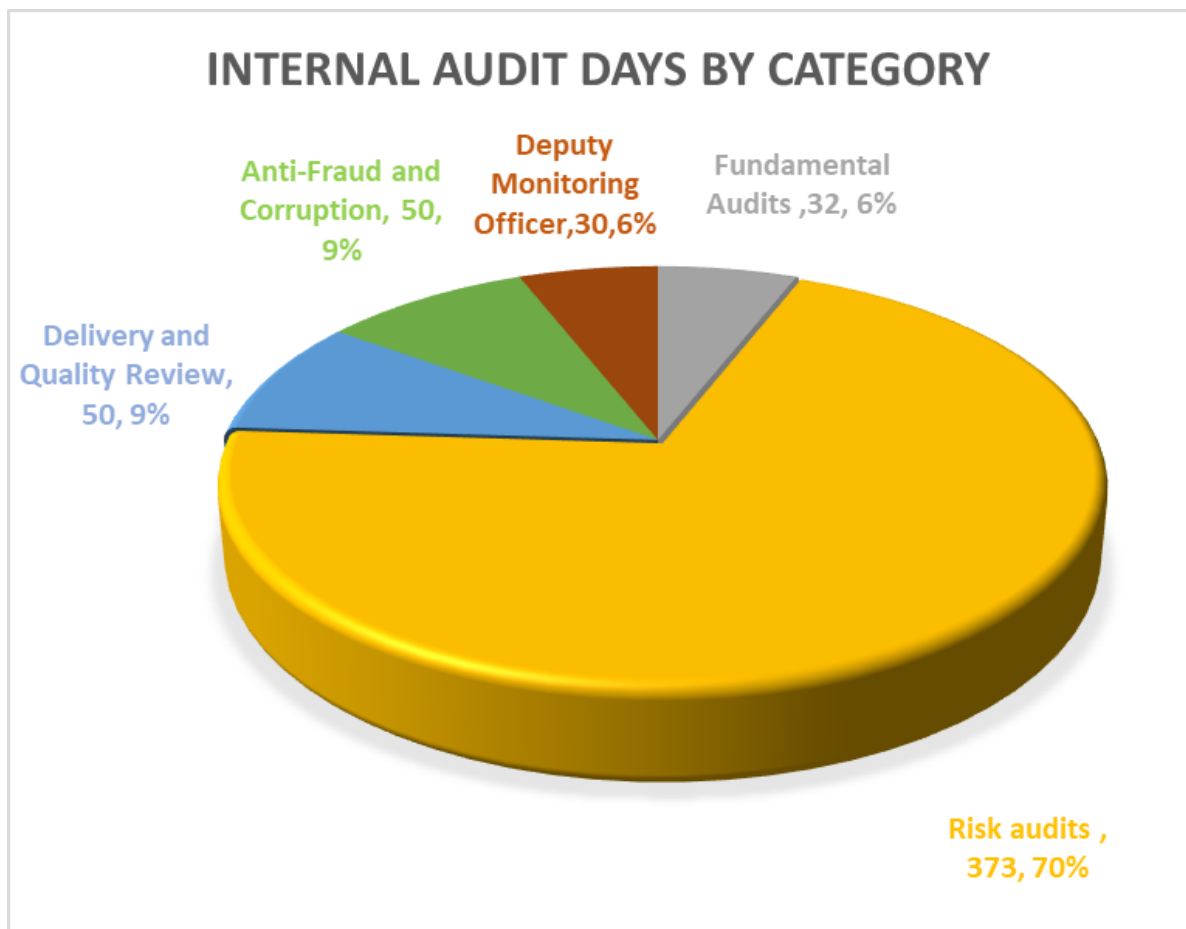
### 3. Development of the Internal Audit Plan 2023/24

- 3.1 The construction of the Audit Plan has been developed to support both the Annual Governance Statement and the Councils' Strategic Priorities. Factors used in the risk assessment of services and processes to inform the proposed focus of audit for 2023/24 have been based largely, but not exclusively, on the following:
  - Review of each Council's strategic priorities contained in the Corporate Plan and those outcomes that support them.
  - The Significant and Operational Risk Registers.

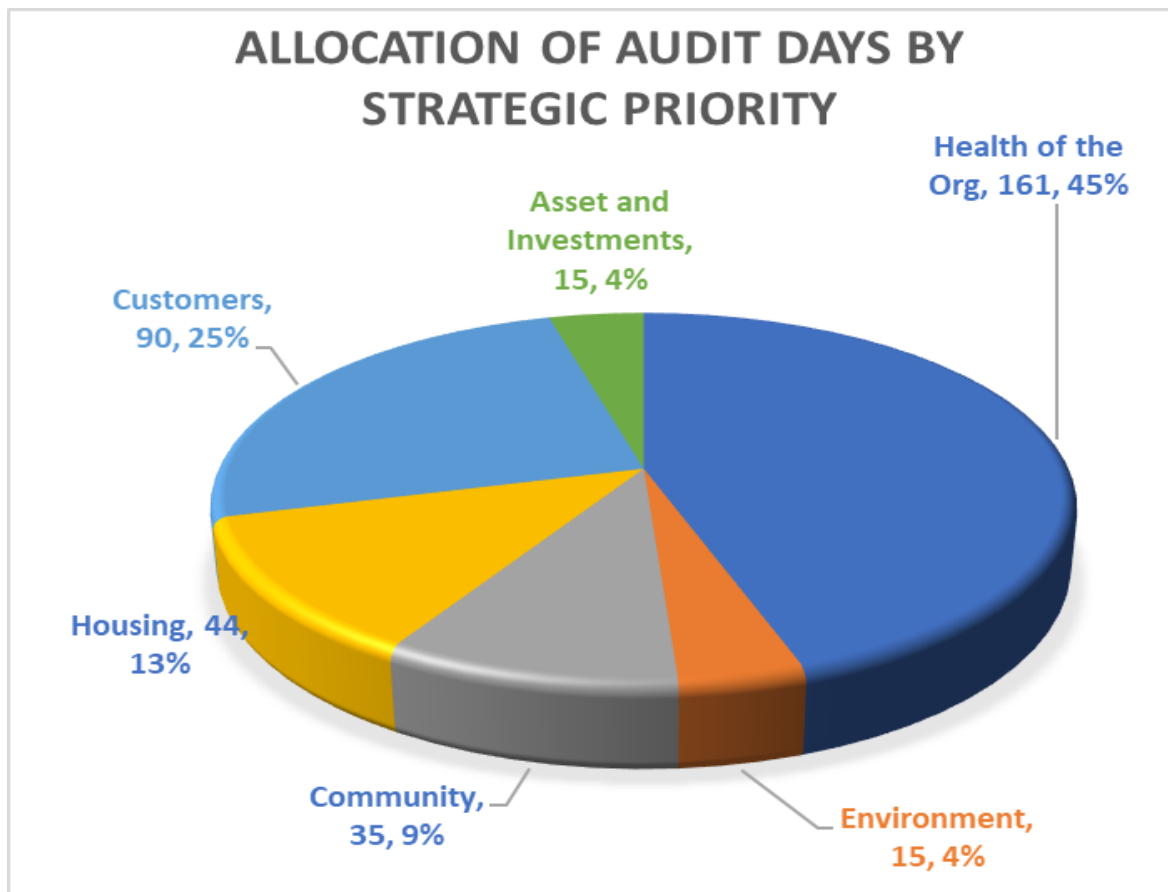
- Engagement with senior management to identify management’s view of the coming year’s risks linked to the Corporate Plan and Delivery Programmes about which assurance is required.
- Consideration of 2023/24 Budget to evaluate levels of income and expenditure, value of assets, volume of transactions.
- Interest to Internal Audit – e.g., the level of past audit opinions; recommendations made and implemented; fraud risks; values and complexities of transactions etc.
- Control assurance in respect of the three lines of defence: Sound management of front-line operations; Oversight of management activity within a professional framework; and External review by independent assurance providers.

**4. Breakdown of planned time**

- 4.1 The plan in Annex A provides the detail of time allocated. The coverage within individual audits continues, where appropriate, to include looking at transformation opportunities for improving efficiency and adding value.
- 4.2 The 535 days audit work proposed in the plan is structured to reflect the audit disciplines undertaken to support delivery of the governance and professional framework. The resources committed to each category is annotated in the detailed plan in Annex A, and in summary below:



- 4.2.1 **Fundamental Audits (Managing Finance) (32 days)** to cover fundamental systems audit work on which reliance may be placed by the external auditors as they assess the Councils' final accounts. Where the control environment continues to improve there has been reduction in audit time allocated to audit in this area.
- 4.2.2 **Risk Audits (373 days)** identified in the audit planning and assurance process, conducted to support management reliance over the key controls in effect to manage major aspects of the Councils' operation. This includes follow ups and work in progress carried forward from 2022/23.
- 4.3 **Additional audit activity**
- 4.3.1 **Deputy Monitoring Role (30 days)** - The Corporate Manager - Internal Audit performs the role of Deputy Monitoring Officer for the Councils, with the specific duty to ensure that the Council, its officers, and its Elected Councillors, maintain the highest standards of conduct in all they do, pursuant to Section 5 of the Local Government and Housing Act 1989, as amended by Schedule 5 paragraph 24 of the Local Government Act 2000.
- 4.3.2 **Counter fraud and corruption work (50 days)** - Ongoing proactive testing of systems and processes help to identify potential fraud and misappropriation, as well as non-compliance with policies and procedures. The audit team will reactively investigate potential wrongdoing, responding to fraud and corruption relating to non-benefit fraud cases. This includes co-ordinating data matching for the National Fraud Initiative (NFI); raising fraud awareness and providing training in areas such as money laundering; providing advice to services on introduction of new systems or procedures.
- 4.4 **Other aspects of our work (Delivery and Quality 50 days) include:**
- 4.4.1 **Governance arrangements** - audits which contribute to the development of both Council's Corporate Governance Framework and feed into the Annual Governance Statement.
- 4.4.2 **Miscellaneous audit delivery and quality review** - includes unplanned audits and requests from management and compilation of the Annual Governance Statement.
- 4.4.3 **Advice and guidance** - the team proactively provide ongoing advice across both Councils. Whether through attendance at working groups, projects or responding to enquiries, early audit advice and support can help maintain a robust control environment and feed in good practice. It is likely to remain an area of demand during 2023/24 as managers at all levels, especially those implementing new systems, structures and relocations, require support.
5. Internal audit days planned against the Councils' Strategic Priorities amounts to 360 days as shown below:



- 5.1 The relative emphasis on audit coverage relates to the Health of the Organisation, in particular focus on fundamental audits to provide management with assurance that the systems of financial control are present and operate as designed.
- 5.2 The next largest audit resource relates to Customers focussing on the quality and management of data; ensuring effective management of complaints to enable to Councils to provide better services to our residents; and evaluating the effectiveness of the Councils' Performance Management Framework and Performance Boards to measure performance against agreed key priorities and objectives to make informed decisions.
- 5.3 Work around Housing will focus on the findings produced by the Regulator with regard to work carried out by Building Services; HRA estate insurance claims to ensure appropriate actions and mitigations are put in place to reduce future risks and insurance premiums. Review of quality and management of data to ensure appropriate safeguards are in place to instil customer confidence in the Councils' actions.
- 5.4 The Community work focusses on anti-social behaviour to ensure a consistent approach is applied to understanding and addressing ASB in local communities to create the right conditions for communities to work, live and thrive together in a safe environment. Work will also include contract management within the service area to improve procurement and spend control by providing improved visibility and control of contracts throughout the contract lifecycle.
- 5.5 Assets and Investment work concentrates on disposals to ensure that the Councils comply with Section 123 of the Local Government Act 1972 – the statutory duty on local authorities to achieve best value in context of land disposals.

5.6 Work on the Environment priority focusses on ensuring that the Councils' Licensing function is operating satisfactorily with adequate controls in place.

## **6. Delivering and updating the Plan**

6.1 The intention is that as far as possible the proposed audits will be undertaken. However, it is recognised that the plan needs to be flexible to respond to changing circumstances or emerging risks. The plan is therefore a statement of intent.

6.2 The audit plan as presented at Annex A represents the Corporate Manager – Internal Audit's current view of how audit resources can be most effectively used. Where significant deviations to the audit plan are required, these would be reported back to this Committee as appropriate.

## **7. Annual Internal Audit Opinion**

7.1 The Corporate Manager – Internal Audit is satisfied that the level and mix of resources, together with the areas covered in the audit plan will enable him to provide an annual internal audit opinion.

### **Circulation:**

Presented to Senior Leadership Team, including the S151 Officer.

Joint Chairs of the Joint Audit and Standards Committee.

<b>Prioritised Internal Audit Plan for 2023/24</b> All audits to include control environment, good practice and transformational aspects				
Audit	Days	Key areas	Intended benefits to the Council	Priority Rating
<b>Health of the Organisation - The right people are doing the right things, in the right way, at the right time, for the right reasons and are able to prove it</b>				
Implementation of a new Financial Management System	25	Support the Finance Team during the implementation phase by undertaking an independent focussed review of: a) User Acceptance Testing (UAT) b) Data Migration testing c) Setup of approval flows and roles d) Risk log	R To provide management with assurance that the systems of control are present within the new Financial Management System and operate as designed.	1
General Ledger	10	Focus on reconciliations and management oversight	F	1
Treasury Management	12	To examine the systems and procedures in operation within the Treasury Management function to ensure they are operating to the required standard. Review the arrangements in place and consider whether these facilitate a safe control environment in which Treasury Management activities are conducted.	F Gain assurance of the veracity of the processes and procedures implemented across the business to ensure that the right people are doing the right things, in the right way, at the right time, for the right reasons and are able to prove it. In addition these reviews provide governance assurance to the S151 Officer and Senior Management	1
Payroll	10	Identify and test the design and operating effectiveness of key controls in relation to the Councils' payroll processes (Inc. starters and leavers and changes to payroll standing data).	F Gain assurance that services are managing and controlling both the costs of employees and effective recording and authorising correctly as part of the Councils' budgetary control and corporate governance processes.	1
Fees and Charges	15	The audit to undertake the following: a) Review Policy and Procedures b) Carry out walkthrough testing on a sample of fees and charges from agreed Council schedule through to charging c) Review key factors considered when setting fees and charges	R To provide assurance to management that procedures and controls within the system will ensure that: a) Fees and Charges are correctly calculated on a regular basis. b) The principals behind the Fees and Charges are understood and can be explained when necessary.	2
Finance Resilience Indicators	10	Using the online tool released by CIPFA, determine the levels of financial resilience of the Councils against similar types of authorities across England.	R Section 151 officers may also use the index in their annual report to the council setting out the proposed budget for the year and medium-term financial strategy, in particular in preparing their statements of the robustness of the budget and the adequacy of reserves.	2
Register of Interests, Gifts and Hospitality	14	To review the adequacy and effectiveness of the Council's 'Acceptance by Employees of offers of Gifts and Hospitality Policy' and Declaration of Interests.	R This work supports the governance and effective operation of the organisation and can aid with the security of assets.	2
Car Parking Income	20	The main objective of the audit was to review the key systems and controls in relation to the management of Council maintained off street car parking.	R Enhance decision making, reporting and evaluation in support of the business achieving profitable and cost effective delivery. Support the business to ensure that the right people are doing the right things, in the right way, at the right time, for the right reasons.	2
Support Central Government various Grant Funding Schemes	45	To ensure that the prescribed criteria in terms of eligibility is met.	R Provide assurance in administrating the various grant funding received.	2
	161	Health of the Organisation		

Environment - promoting and actioning a more sustainable approach to the way live and operate				
Licensing	15	The review to focus on: a) All relevant policies and procedures are in place, up to date and have regular updates planned in b) All Roles and responsibilities clearly defined, leaving no ambiguity where responsibility sits and decision-making takes place c) Officers are adequately trained and qualified to perform their duties d) Any adverse reports are followed up on a timely basis and enforcement action is monitored to ensure compliance e) All associated fees are collected promptly	R To provide assurance to Management that the Councils' Licensing function is operating satisfactorily with adequate controls in place.	2
	15	Environment planned days		
Community - creating the right conditions for communities to work and live together in the most sustainable way				
Anti-Social Behaviour	15	To provide assurance over the effective management of this risk for the Council, including monitoring, partnership working and initiatives.	R Ensuring a consistent approach to understanding and addressing ASB in local communities. For learning outcomes from the review to be fed back to the relevant areas of the organisation.	2
Contract Management	20	Oversight and management of contracts that supports and builds on the work undertaken by the East of England Local Government Association.	R To improve strategic procurement and spend control by providing improved visibility and control of contracts throughout the contract lifecycle.	2
	35	Community capacity building and engagement planned days		
Housing delivery – More of the right type of homes, of the right tenure in the right place				
Building Services - Compliance	20	Following up on the report from the Regulator to assess the adequacy of the following arrangements: • Appropriate policy/procedures to ensure actual compliance (in terms of completion of the statutory checks) with both statutory and regulatory health and safety requirements/best practice. • Systems and processes the councils have in place to ensure compliance and provide assurance that these are designed and operating effectively.	R Gain assurance that the Councils' arrangements for providing assurance of compliance with health and safety requirements are fully met.	1
HRA Estate Insurance Claims	15	The overall objective of this audit is to consider the main risks in relation to HRA estate insurance and to review the key systems and controls in place to address these.	R Appropriate actions and mitigations are put in place to reduce future risks and insurance premiums.	2
Disabled Facilities Grant	9	To ensure approved applications are compliant with local/legislative requirements.	R A Disabled Facilities Grant or DFG is available from Local Authorities to pay for essential housing adaptations to help disabled people stay in their own homes.	2
	44	Housing delivery planned days		
Customers - further develop and improve customer access and experience through customer insight and intelligence				
Data Quality/Management	20	To review the Councils' arrangements to have data management governance mechanisms in place with defined accountabilities to effectively support data infrastructure planning, data collection, storage, and usage to meet the Councils' current and future needs.	R Establishing a governance structure at the right level will facilitate the provision of effective oversight for the development and implementation of the data strategy across the Councils and enhance decision making.	1
Health and Safety training	15	To ensure that proper training programmes, with supporting evidence, are in place that protect its staff from anything that may cause harm and effectively controlling any risks to injury or health that could arise in the workplace.	R To avoid risk of potential reputational damage and possible fines from the Health and Safety Executive should an accident/incident occur involving one of the Councils' employees.	1
Dealing with Complaints	20	To establish whether all queries or complaints from residents are dealt with promptly and effectively. Any areas for improvement arising from complaints are identified and addressed.	R The effective management of complaints enables the organisation to provide a better service to its residents.	2
Performance Management Framework	20	Undertake an audit review of the Councils' system of internal control and governance in relation to Performance Management. In summary, the scope will cover the following areas: organisational and management requirements, performance of projects and programmes, performance target setting, performance monitoring and performance reporting.	R Effective performance reporting ensures that the Councils have appropriate information to enable them to effectively scrutinise performance against agreed key priorities and objectives and make informed decisions.	2
Performance Boards	15	To evaluate the effectiveness of the Programme Boards against their terms of reference and governance arrangements.	R Effectively run Programme Boards will provide the Councils with an interface through which Members will at a programme level hold officers to account for delivery of the Councils' priorities.	2
	90	Customers planned days		



	15	Asset and Investment planned days			
<b>Other Audit Activity</b>					
Work in progress from previous year	10	Finalisation of any outstanding work. Liaison with External Auditors over review of internal audit work.	R	Covering statutory work in conjunction with External Audit. The beneficial outcomes can include an improved control environment, enhanced management information and streamlined processes thereby improving organisational efficiency.	1
Follow Ups	15	Implementation of audit recommendations deemed as high risk.	R	In addition these reviews provide governance assurance to the S151 Officer and Senior Management.	1
Requests for support from management	20	Unplanned investigations assessing the impact on controls and processes through specific events.	R	Provide assurance to Management that the Councils' are fulfilling their legislative and fiduciary duties, and determine each Council's resilience of and compliance with legislation.	2
Deputy Monitoring Role	30	Work to be undertaken by the Corporate Manager - Internal Audit.	MO		2
RIPA	10	Work to be undertaken by the Corporate Manager - Internal Audit.	A		2
Annual Governance Statement	10	Collation, interpretation, challenge and presentation of management opinion of control assurance and governance across the Councils.	Q		1
Anti-Fraud & Corruption work including the National Fraud Initiative (NFI)	40	Proactive: Money Laundering, Policy reviews, Advice and guidance - awareness and staff training. NFI - co-ordinating bi-annual exercises and oversight. Support the Business cell re emergency and discretionary payments. Reactive: investigations	A		1
Audit Management and service delivery	40	Service delivery - (Ctee reports, audit planning and control risk assessment).	Q	Supports the governance and effective operation of the organisation and can aid with the security of assets. It will further provide information and feedback to Members and Officers, as well as ensuring the Councils meet the reporting requirements of statutory and Local Government bodies.	2
	175	Other Audit Activity planned days			
<b>Total days</b>	<b>535</b>				
	535				
<b>Priority Rating - Key</b>			F	Fundamental Audit	
1	High		R	Risk audits	
2	Medium		Q	Delivery and Quality Review	
3	Low		A	Anti-Fraud and Corruption	
			MO	Deputy Monitoring Officer	



# Agenda Item 9

## BABERGH AND MID SUFFOLK DISTRICT COUNCILS

<b>TO:</b> Joint Audit and Standards Committee	<b>REPORT NUMBER:</b> JAC/21/48
<b>FROM:</b> Monitoring Officer	<b>DATE OF MEETING:</b> 22 March 2023
<b>OFFICER:</b> Ifty Ali, Interim Monitoring Officer	<b>KEY DECISION REF NO.</b> N/A

### CODE OF CONDUCT COMPLAINTS MONITORING REPORT

#### 1. PURPOSE OF REPORT

- 1.1 The report provides the Committee with an update on Code of Conduct complaints received or determined since the last time that such complaints were reported to the Committee.

#### 2. OPTIONS CONSIDERED

- 2.1 The Monitoring Officer is required by the constitution to regularly report complaints to the Joint Audit and Standards Committee.

#### 3. RECOMMENDATION

- 3.1 That the Code of Conduct Complaints monitoring information contained in the report be noted.

#### 4. KEY INFORMATION

- 4.1 The Monitoring Officer receives and investigates code of conduct complaints made about Councillors. These complaints are allocated to either the Monitoring Officer or the Deputy Monitoring Officer and are processed in accordance with the adopted code of conduct complaints procedure. An initial assessment is made of the complaint to establish whether or not the code of conduct is engaged. If the complaint is valid, the Monitoring Officer will write to the Councillor who is the subject of the complaint to ask for their response. The Monitoring Officer will then decide whether the complaint can be determined or whether further investigation is required. Councillors will normally be informed whenever a complaint is made about them unless there is good reason not to inform them. Complaints cannot be made anonymously unless the complainant is able to demonstrate that they may be at risk of harm if anonymity was not granted.
- 4.2 The Councils have appointed a number of Independent Persons, with whom the Monitoring Officer is required to consult before making a finding of a breach of the code. In practice, the Independent Persons are often consulted at a number of stages in the complaints process.
- 4.3 This report covers complaints received in the period from 18 January 2023 to 7 March 2023.

#### 4.4 Information relating to Babergh District Council

<b>Babergh</b> (18.01.2023 - 07.03.2023)	
No. of complaints received	13
No. of complaints against District Councillors	6
No. of complaints against Parish Councillors	7
No. of complaints upheld	0
No. of findings of no breach	2
No. of complaints where the matter is referred to the police	0
No. of complaints pending decision	11

4.4.1 The complaints that were not upheld tended to relate to issues that are outside of the remit of the Monitoring Officer or scope of the code of conduct and were dismissed upon receipt.

4.4.2 Of the 13 complaints received, 8 were submitted from members of the public with 5 being submitted by other Councillors.

#### 4.5 Information relating to Mid Suffolk District Council

<b>Mid Suffolk</b> (18.01.2023 – 07.03.2023)	
No. of complaints received	0
No. of complaints against District Councillors	0
No. of complaints against Parish Councillors	0
No. of complaints upheld	0
No. of findings of no breach	0
No. of complaints where the matter is referred to the police	0
No. of complaints pending decision	0

4.5.1 Mid Suffolk District Council and its associated parishes did not receive any code of conduct complaints against their Councillors during this time period.

#### 4.6 Informal advice and assistance

4.6.1 The Monitoring Officer and their team have received a moderate number of informal enquiries from parish clerks and members of the public in the last period. These relate to issues such as casual vacancies, registers of interests and informal advice on conduct issues.

### 5. **LINKS TO CORPORATE PLAN**

5.1 To provide public confidence and legitimacy to the decision-making process that underpins all decisions that are made by the Council that support the priorities identified in the Corporate Plan.

### 6. **FINANCIAL IMPLICATIONS**

6.1 There are no direct financial implications arising from this report.

### 7. **LEGAL IMPLICATIONS**

7.1 Under the Localism Act 2011, the Monitoring Officer is required to establish a local code of conduct for councillors and to investigate complaints made relating to breaches of that code.

### 8. **RISK MANAGEMENT**

8.1 Key Risks are set out below:

<b>Risk Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation</b>
Complaints are not handled promptly	2 - Unlikely	1 - Minimal	Monitoring of complaints, clear complaints procedure
Decisions are not sound	2 - Unlikely	3 - Bad	Apply adopted procedures, consult with the independent person

### 9. **CONSULTATIONS**

9.1 No public consultation was required for this report.

### 10. **EQUALITY ANALYSIS**

10.1 Equality Impact Assessment (EIA) is not required for this report.

### 11. **ENVIRONMENTAL IMPLICATIONS**

11.1 There are no environmental implications associated with this report.

**12. APPENDICES**

Title	Location
None	None

**13. BACKGROUND DOCUMENTS**

13.1 None.

**14. REPORT AUTHORS**

Ifty Ali – Interim Monitoring Officer

Alicia Norman – Lead Officer for Overview + Scrutiny and Projects

# Agenda Item 10

## BABERGH AND MID SUFFOLK DISTRICT COUNCILS

<b>TO: Joint Audit and Standards Committee</b>	<b>REPORT NUMBER: JAC/21/49</b>
<b>FROM: Corporate Manager – Democratic Services</b>	<b>DATE OF MEETING: 22 March 2023</b>

### JOINT AUDIT AND STANDARDS COMMITTEE FORWARD PLAN

#### Date of Committee – 22 March 2023

<b>Topic</b>	<b>Purpose</b>	<b>Lead Officer</b>
Managing the Risk of Fraud and Corruption - Annual Report	For comment and agreement	Corporate Manager – Internal Audit
Internal Audit Plan 2023/24	For comment and agreement	Corporate Manager – Internal Audit
Complaints Monitoring report	To note	Monitoring Officer

#### Date of Committee – 31 July 2023

<b>Topic</b>	<b>Purpose</b>	<b>Lead Officer</b>
Statement of Accounts and Auditors Report 2022/23	For comment and agreement	Corporate Manager - – Finance, Commissioning & Procurement
Treasury Management Outturn 2022/23	For comment and agreement	Corporate Manager - – Finance, Commissioning & Procurement
Annual Governance Statement 2022/23	For comment and agreement	Corporate Manager - Internal Audit
Annual Internal Audit Report 2022/23	For comment and agreement	Corporate Manager - Internal Audit
Complaints Monitoring report	To note	Monitoring Officer

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