

BABERGH AND MID SUFFOLK DISTRICT COUNCILS

Minutes of the meeting of the **JOINT AUDIT AND STANDARDS COMMITTEE** held in the Rose Room - Endeavour House, 8 Russell Road, Ipswich on Monday, 14 May 2018.

PRESENT:

Councillor: Frank Lawrenson (Chair)

Councillors:	Clive Arthey	Melanie Barrett
	Tony Bavington	Michael Burke
	Tom Burrows	John Levantis
	Lesley Mayes	Suzie Morley
	Dave Muller	Mike Norris
	Kevin Welsby	

In attendance: Glen Horn – Cabinet Member – Organisational Delivery

Chief Executive (AC)
Assistant Director Finance (KS)
Assistant Director Law and Governance and Monitoring Officer (EY)
Corporate Manager – Finance (ME)
Corporate Manager – Internal Audit (JS)
Internal Audit and Risk Management Officer (PJ)
Internal Audit and Risk Management Officer (CC)
Senior Governance Support Officer (LS)

51 SUBSTITUTES AND APOLOGIES

Apologies were received from Councillors Mark Newman and William Shropshire.

Councillors Sue Burgoyne and John Matthissen were unable to be present.

52 DECLARATION OF INTERESTS

There were no declarations of interest.

53 JAC/17/24 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 12 MARCH 2018

It was RESOLVED

That the minutes of the meeting held on 12 March 2018 be confirmed as a true record subject to clarifying that future Forward Plans will cover a rolling 12 month period – (Minute No 50 – JAC/17/23 Forward Plan refers.)

54 PETITIONS

None received.

55 QUESTIONS BY THE PUBLIC

None received.

56 QUESTIONS BY COUNCILLORS

None received.

57 TECHNICAL PAPER ON GROUP ACCOUNTS

- 57.1 Members had before them a Technical Paper relating to the treatment of Group Accounts in the Councils' 2017/18 Statements of Accounts.
- 57.2 Melissa Evans, Corporate Manager – Finance, explained that the Paper, which was circulated to Members prior to commencement of the meeting, and subsequently published on the Council website, had been shared with Ernst and Young, and their feedback was awaited. There would be full disclosure in the Councils' accounts.

It was RESOLVED

That the content of the Technical Paper be noted.

58 JAC/17/25 JOINT ANNUAL GOVERNANCE STATEMENT 2017/18

- 58.1 John Snell, Corporate Manager – Internal Audit introduced Paper JAC/17/25 to enable Councillors to satisfy themselves that the Joint Annual Governance Statement (Appendix A to the report) to accompany each Council's financial accounts properly reflects the risk environment and any actions required to improve it.
- 58.2 During the course of their consideration Councillors noted the following minor amendments to be made to Appendix A as reported by the Corporate Manager, or identified from Councillors' questions:-
 - Page 7 – 2.4 to read '..... on behalf of *each Council*'.
 - Page 22 – Governance Structure Chart – Cabinet to be shown alongside Council and SRP to link directly to Council
 - Page 25 – Quarterly financial monitoring reports to Cabinet – relevant information on 'red' areas to be also submitted to JAC on the basis of an exceptions report summary. Committee Terms of Reference to be amended accordingly. The Assistant Director – Law and Governance confirmed that the Scrutiny role related to performance, with JAC looking at financial outcomes.
 - Page 26 – the reference to unitary Council proposals to be updated

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- Page 26 – the reference to unitary Council proposals to be updated

- Page 27 – Performance – the Portfolio Holder challenge session originally scheduled for early May 2018 is being re-arranged
- Statement to be added to reflect that at present, there is no delegation to individual Cabinet Members to take decisions, unless by specific resolution [of the Cabinet or Council].

58.2 Councillors asked for further information about the ways in which community and customer feedback was obtained and assessed (Page 14), particularly in relation to information from Parishes, and the Chief Executive referred to the two-way nature of the Parish Liaison meetings and the input of Ward Members. A Councillor suggested that it might be useful to send a brief questionnaire to Parishes from time to time, perhaps service specific.

It was RESOLVED

- (1) **That Councillors are satisfied that the Joint Annual Governance Statement (AGS) 2017/18 (Appendix A to Paper JAC/17/25) properly reflects the governance environment and any actions taken to improve it.**
- (2) **That the AGS be endorsed subject to the Assistant Director Law and Governance and Monitoring Officer being authorised to make any minor amendments and corrections prior to the Statement being finalised for publication.**
- (3) **That approval of any significant amendments identified by the Assistant Director Law and Governance and Monitoring Officer be delegated to her in consultation with the Chairs of the Committee.**
- (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 each Council.**
- (5) **That, on an exception basis, quarterly financial reports be made to future meetings of this Committee.**

59 JAC/17/26 ANNUAL INTERNAL AUDIT REPORT

- 59.1 Paul Jarvis – Internal Audit and Risk Management Officer introduced the report from the Corporate Manager – Internal Audit (Paper JAC/17/26) informing Councillors of the work of the Audit Service and providing a review of its activities. As referred to in paragraph 10.7, he confirmed the Corporate Manager's opinion of 'Effective' on the risks facing the Councils – the systems described offer most necessary controls.
- 59.2 He then referred to the Internal Audit Opinion of 'Ineffective' where identified under 2.1 on pages 36-37 of the report, and the measures which have been taken, or are in place, to support improvements.

- 59.3 He also referenced the performance review in Annex 2 which showed below target results on delivery of reviews, caused by additional time spent supporting officers on control improvements.
- 59.4 During the course of their consideration Councillors noted the following minor amendments to be made to Appendix A as identified from Councillors' questions:-
- Page 36 – reference to 'Project Manager' to assist / support implementation of GDPR to be updated by the inclusion of the name and title of the person appointed – ie Martyn Jackson, Information Governance Officer.
 - Page 40 – reference to 'Yellow Snow warning' to be clarified as eg 'yellow Snow Warning.'
 - Page 45, 6.3.2 – Corporate Manager to liaise with the Monitoring Officer to confirm whether Safeguarding training is not mandatory, as stated, and to amend wording if necessary. The Monitoring Officer will also establish whether safeguarding training (children and vulnerable adults) carried out by Councillors for another organisation qualifies.
- 59.5 Councillors queried whether the number of staff (660) covered by IR35 processing should be stated in relation to 2.1.5 Payroll (page 37). They noted the reference to the low level of cheque receipts – 6.5.4 (Page 47) and to the limited response to date for 2017/18 customer satisfaction. The Corporate Manager confirmed that his current staffing levels were adequate.
- 59.6 Councillors also questioned some of the scores in the risk matrix – 10.11 on page 58 but noted that it is regularly reviewed as referred to in 4.1 (page 39).

It was RESOLVED

That the contents of Paper JAC/17/26 supported by Appendix A (as amended) be noted.

60 JAC/17/27 END OF YEAR RISK POSITION STATEMENT AND PROGRESS REPORT

- 60.1 Claire Crascall, Audit and Risk Management Officer introduced Paper JAC/17/27 detailing the movement of Significant Risks and associated work which had recently been considered by SLT and both Cabinets. Councillors were asked to note the contents of the report and Appendices.
- 60.2 Councillors asked questions about various aspects of the report including
- Page 68 – 5h – why is Cabinet Member for Assets and Investments identified? – HR and Finance to check
 - Page 67 – phone response times – is it a system problem? Transfer to PAs etc.

- Need contact details of functional officers as well as ADs
- Risk colours incorrect – CC to sort

It was RESOLVED

That the contents of Paper JAC/17/27, supported by Appendices A and B, be noted.

61 JAC/17/28 CONSTITUTION WORKING GROUP

61.1 The Monitoring Officer, Emily Yule, introduced Paper JAC/17/28 by referring to the need for an in-depth review of three specific sections of the Councils' Constitutions – the Articles, Terms of Reference, and Procedure Rules. Councillors were asked to recommend the Councils to create a cross-party working group to undertake these reviews as a project-based exercise from May to October, reporting direct to Council. Some smaller reviews would be considered by the Committee.

61.2 Some Babergh Councillors expressed concern about the proposed composition of the cross-party working group not including representation from all political groups, which appeared to have been the understanding from earlier informal discussions in Babergh's political leaders' group. After some discussion, it was generally accepted that JAC could endorse recommendation 2.1 as set out in the report, leaving the Councils to determine the composition. The view was expressed that further thought could be given to this aspect prior to the Council meeting and on that basis, the recommendation was proposed and seconded without amendment.

It was RESOLVED

That the establishment of a cross-party Constitution Working Group be endorsed and recommended to the Councils at their Annual Meetings.

62 JAC/17/29 REVIEW OF ETHICAL STANDARDS IN LOCAL GOVERNMENT

62.1 Councillors had before them Paper JAC/17/29 – Stakeholder Consultation on the Review of Ethical Standards in Local Government and were asked how they wished to respond.

62.2 Emily Yule, Assistant Director – Law and Governance and Monitoring Officer introduced this item. All Councillors had been sent the consultation document, which was effectively a call for evidence, and could respond individually if they so wished. However, it was suggested that a Council response should be compiled by the Assistant Director, based on comments expressed at the meeting.

62.3 Councillors queried various aspects of Paper JAC/17/29 and identified some areas of particular concern, as follows:-

- Safeguarding training – mandatory or otherwise / transferable (as referred to under Minute No 59 above.)

- Intimidation of Councillors – what process should they follow when the subject of ‘vindictive’ complainants.
- Recognise need to make public aware of how to pursue a complaint, but there is an issue if Councillor complained against is not able to be sufficiently informed about the complaint.
- ‘Natural justice’ in cases of vexatious complainants.
- Member briefings / updates should be provided on an on-going basis.

It was RESOLVED

That the Assistant Director – Law and Governance and Monitoring Officer be authorised to prepare a response to the Stakeholder Consultation in consultation with the Chairs of the Committee.

63 JAC/17/30 CONSTITUTIONAL UPDATE

- 63.1 The Monitoring Officer, Emily Yule, introduced this item, proposing amendments to the responsibility of functions rules for the Joint Audit and Standards Committee. The current Terms of Reference for the Committee were circulated at the meeting, together with proposed amendments and reasons for the changes, as set out in full below.
- 63.2 1. That the wording “Note: There are separate Terms of Reference for the Mid Suffolk and Babergh Audit Committees which set out their specific roles and functions.” be removed.

Reason: Separate Audit Committee for each Council have not been constituted. This wording was left in the Constitution in error after the last review.

2. That the following provision:
“Issues that are pertinent to a single Council area will remain the preserve of the Mid Suffolk Audit Committee or the Babergh Audit Committee.” be amended to:

“Where there are issues that are pertinent to only a single Council area, only Councillors from the relevant Council will be able to vote on the matter.”

Reason: There are some matters which are considered by the Joint Audit and Standards Committee, such as the Statement of Accounts, which are the preserve of the sovereign Councils.

3. That the quorum for the meeting be amended to 6 (3 from each Council)

Reason: To ensure that there is equal and adequate representation from each Council and that there are sufficient Councillors present to take decisions on matters that are the preserve of a single Council.

63.3 The Monitoring Officer referred to the proposed changes being in the interests of consistency and to facilitate the business of the Committee. Councillors discussed the ramifications of the Committee being inquorate, and emphasised the need for Committee members to attend, or arrange substitutions for, all meetings.

It was RESOLVED

- (1) That the wording "**Note: There are separate Terms of Reference for the Mid Suffolk and Babergh Audit Committees which set out their specific roles and functions.**" be removed.
- (2) That the following provision:
"Issues that are pertinent to a single Council area will remain the preserve of the Mid Suffolk Audit Committee or the Babergh Audit Committee." be amended to:

"Where there are issues that are pertinent to only a single Council area, only Councillors from the relevant Council will be able to vote on the matter."
- (3) That the quorum for the meeting be amended to 6 (3 from each Council).

64 JAC/17/31 FORWARD PLAN

It was RESOLVED

That the Forward Plan be noted.

65 COMMENCEMENT TIMES FOR FUTURE MEETINGS

65.1 A brief discussion took place around various relevant issues and alternatives to the current start time of 10.15 a.m., including availability of parking and public transport, alternating morning and afternoon / evening meetings, and the difficulty of accommodating all Members' preferences and individual circumstances. Councillor Lawrenson suggested that he would discuss the matter with Councillor Morley, the Mid Suffolk Chair, taking into account the comments of Councillors as summarised above, and this was agreed.

It was RESOLVED

That the two Chairs discuss further outside the meeting with a view to agreeing future Committee start times.

The business of the meeting was concluded at 12.20 p.m.

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Chairman