

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, 29 November 2021

PRESENT:

Councillors:	James Caston	Bryn Hurren (Co-Chair)
	Mary McLaren	Dave Muller (Co-Chair)
	Mike Norris	John Nunn

In attendance:

Officers: Rebecca Hewitt
John Snell, Corporate Manager - Internal Audit, Risk and Data Protection (Deputy Monitoring Officer)

Apologies:

Councillor(s) Melanie Barrett and Robert Lindsay

55 DECLARATION OF INTERESTS

There were no interests declared by members.

56 JAC/21/9 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 27 SEPTEMBER 2021

It was RESOLVED:-

That the minutes of the meeting held on the 27 September 2021 be confirmed as a correct record.

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

None received.

58 QUESTIONS BY THE PUBLIC

None received.

59 QUESTIONS BY COUNCILLORS

None received.

60 JAC/21/10 HALF YEAR REPORT ON TREASURY MANAGEMENT 2021/22

60.1 The Acting Corporate Manager – Financial Operations introduced the report and highlighted key points in the report for members consideration.

- 60.2 Councillor McLaren referred to Babergh exceeding the daily banking limit and enquired why the Lloyds online banking not being available resulted in only Babergh exceeding banking limits.
- 60.3 The Acting Corporate Manager – Financial Operations replied that although both Council's use the same banking systems Babergh were affected due to investments that needed to be made while the online banking system was unavailable.
- 60.4 Councillor Caston asked if any charges were incurred or if there were any other implications due to Babergh exceeding the banking limit.
- 60.5 The Acting Corporate Manager – Financial Operations stated that no charges had been incurred and that the banking limit was a limit set by the Council's for their own purposes and the only implication would have been that a day's interest was lost which would have been in the region of £3.
- 60.6 Councillor McLaren stated that the Councils investments programme seem to be cautious and asked who made the decisions on which investments are made.
- 60.7 The Acting Corporate Manager – Financial Operations replied that Arling Close advised the Councils on which types of investments should be made and that limits are set for investments as part of the Treasury Management Strategies which would be taken to Cabinet and full Council to be agreed, the Section 151 Officer would then make day to day investment decisions in accordance with the Treasury Management Strategy.
- 60.8 Councillor Hurren asked if the HRA long term borrowing within the report was monies borrowed to purchase council houses not owned by the Council and why the figure had been static for a while and not decreasing.
- 60.9 The Acting Corporate Manager – Financial Operations confirmed that the HRA long term borrowing was a range of loans with different maturities that were taken to buy out of the subsidy system, some of which would start to be paid off in the next few years.
- 60.10 Councillor Muller enquired if the Funding Circle investment would stay at 1% or was the intention to not have any investments in the Funding Circle.
- 60.11 The Acting Corporate Manager – Financial Operations confirmed that the intention was to move away from the Funding Circle altogether.
- 60.12 Councillor Caston asked what products were being invested in with the Funding Circle.
- 60.13 The Acting Corporate Manager - Financial Operations stated that it was a fund of different loans.
- 60.14 Councillor Caston began the debate by saying he was glad that the issue of

exceeding the banking limit was not as serious as he had thought and that he was excited about the UK infrastructure bank and the possibilities it created.

60.15 The Chair explained that there were three recommendations in the report that would require a vote, the first recommendation was for the full committee to vote on, the second recommendation was for Babergh Councillors only and the third recommendation was for Mid Suffolk Councillors only.

60.16 Councillor Caston **PROPOSED** recommendation 3.1 which was **SECONDED** by Councillor McLaren.

It was RESOLVED:-

That the Treasury Management activity for the first six months of 2021/22 as set out in report JAC/21/10 and Appendices be noted.

60.17 Councillor McLaren **PROPOSED** recommendation 3.2 which was **SECONDED** by Councillor Hurren.

It was RESOLVED:-

That it be noted that Babergh District Council's Treasury Management activity for the first six months of 2021/22 was in accordance with the approved Treasury Management Strategy, and that, except for one occasion when the Council exceeded its daily bank account limit with Lloyds by £136k, as mentioned in Appendix C, paragraph 5.4, the Council has complied with all the Treasury Management Indicators for this period.

60.18 Councillor Norris **PROPOSED** recommendation 3.3 which was **SECONDED** by Councillor Caston.

It was RESOLVED:-

That it be noted that Mid Suffolk District Council's Treasury Management activity for the first six months of 2021/22 was in accordance with the approved Treasury Management Strategy, and that the Council has complied with all the Treasury Management Indicators for this period.

61 JAC/21/11 JOINT AUDIT PLAN 2020/21

61.1 Mark Hodgson from Ernst and Young External Auditors introduced the report. He explained that the report was the plan in order to gain sufficient audit assurance to sign the audit opinion in respect of the 2021 financial statements for both Councils and highlighted the key risks within the audit, materiality, responsibilities for value for money and audit fees.

61.2 Councillor Caston asked if the significant risks were reported back to this committee or somewhere else.

- 61.3 Mr Hodgson replied that they would be reported back to the Joint Audit and Standards Committee as an update to the Joint Audit Plan presented today.
- 61.4 Councillor Caston began the debate stating that he believed that the way that the new inherent risks were shown in the report was a much better way of looking at them as it helped to focus on the new issues.
- 61.5 Councillor McLaren commended the auditors on a succinct report which was easy to understand.
- 61.6 Councillor Muller also thanked the auditors for their report.
- 61.7 Councillor Norris **PROPOSED** recommendation 2.1 of the report which Councillor Nunn **SECONDED**.

It was RESOLVED:-

That the proposed provisional approach for the 2020/21 audit be agreed.

62 JAC/21/12 INTERIM INTERNAL AUDIT REPORT 2021/22

- 62.1 The Corporate Manager – Internal Audit introduced the report which informed members of the works undertaken within the internal audit service for the first 6 months of 2021/22.
- 62.2 He also highlighted that of the completed audits, one returned the opinion of limited assurance which was based at the end of the last financial year 2021 and in line with internal audit procedures this was followed up and improvements had been made in this area and the audit opinion had elevated to reasonable assurance.
- 62.3 Councillor Norris referred to the work in progress planning enforcement audit on page 107 of the report and asked for an indication of when these works would be completed.
- 62.4 The Corporate Manager – Internal Audit replied that a draft report was imminent, and a summary of the findings would be reported back in the Annual Internal Audit report 2022.
- 62.5 Councillor McLaren asked for the audit being undertaken on Ethics as detailed on page 100 of the report to be explained.
- 62.6 The Corporate Manager – Internal Audit stated that the audit would look at the behaviours of officers and how customers are dealt with in line with the Councils core values.
- 62.7 Councillor McLaren also asked if new members of staff were made aware of the values, to which the Corporate Manager – Internal Audit replied that the values were part of the induction undertaken by new staff.

- 62.8 Councillor Caston indicated that in the report it stated that the policies and procedures for Housing Health and Safety may have been to blame for the rating of limited assurance and ask for an update on the works being undertaken.
- 62.9 The Corporate Manager – Internal Audit gave an update as to why the rating of limited assurance had been given. He also gave a brief overview of works undertaken by the Housing team to rectify the issues and because of key controls being put in place they had not been given a risk rating of reasonable assurance.
- 62.10 Councillor Hurren enquired about the audit for Asset Management and asked if there had been a loss of control of what assets were owned by the Councils’.
- 62.11 The Corporate Manager – Internal Audit stated that an updated summary of findings would be included in the Annual Internal Risk Report 2022.
- 62.12 Councillor Norris asked if a time scale could be included for any work in progress audits in future reports. The Corporate Manager – Internal Audit agreed to the Councillors request.

It was RESOLVED:-

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

63 JAC/21/13 COMPLAINTS MONITORING REPORT

- 63.1 The Deputy Monitoring Officer – John Snell introduced the report which updated members on Code of Conduct Complaints received from July to November 2021.
- 63.2 Councillor McLaren asked for more information regarding Independent Persons.
- 63.3 The Deputy Monitoring Officer stated that 4 independent persons were employed and individuals were interviewed for their experience.
- 63.4 Councillor McLaren enquired if the post was remunerated, to which the Deputy Monitoring Officer replied that there were circumstances where it could be, but it usually is not.
- 63.5 Councillor Caston asked if Councillors are informed if a complaint has been received against them.
- 63.6 The Deputy Monitoring Officer replied that if a complaint is upheld then the Councillor would be informed.

63.7 Councillor McLaren asked if Ward Members were advised.

63.8 The Deputy Monitoring Officer replied that if it was determined to be a major issue then the Ward Member would be informed.

It was RESOLVED:-

That the Code of Conduct Complaints monitoring information contained in Paper JAC/21/13 be noted.

64 JAC/21/14 FORWARD PLAN

64.1 There were no comments or amendments to the Forward Plan.

The business of the meeting was concluded at 10.26 am.

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Chair