

**Confirmed**



Minutes of a Meeting of the **Audit and Governance Committee** held in the Conference Room, Riverside, on **Monday, 11 December 2023** at **6:30 PM**

**Members of the Committee present:**

Councillor Edward Back, Councillor Tess Gandy, Councillor Owen Grey, Councillor George King, Councillor Geoff Lynch, Councillor Lee Reeves, Councillor Anthony Specca, Councillor Ed Thompson

**Other Members present:**

**Officers present:** Kate Blakemore (Strategic Director), Chris Bing (Head of Legal and Democratic Services), Laura Fuller (Audit Manager), Andy Jarvis (Strategic Director), Siobhan Martin (Head of Internal Audit), Marie McKissock (Finance Manager Compliance), Agnes Ogundrian (Conservative Political Group Support Officer), Lorraine Rogers (Chief Finance Officer), Ben Woolnough (Planning Manager - Development Management, Major Sites and Infrastructure), Frances Wykes (Principal Auditor)

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**1 Apologies for Absence and Substitutions**

Apologies for absence were received from Councillor Molyneux.

The Chair stated that due to the number of items on the agenda, he proposed moving items 5, 6, 7, 9 and 10 on the agenda to an extraordinary meeting of the committee which would be held on the 8 January.

On the proposal of Councillor Gandy, seconded by Councillor Back it was

**RESOLVED**

That items 5, 6, 7, 9 and 10 on the agenda be deferred.

**2 Declarations of Interest**

There were no Declarations of Interest.

### **3 Minutes**

On the proposal of Councillor Lynch, seconded by Councillor Thompson, it was **RESOLVED**

That the minutes of the meeting of 11 September 2023 be agreed as a correct record and signed by the Chair.

### **4 Final Audit Results Report 2020-21, Auditors Annual Report 2020-21 and Statement of Accounts 2020-21**

The Committee received report **ES/1766** of Councillor Vince Langdon-Morris, Cabinet Member with Responsibility for Resources and Value for Money.

The Chief Finance Officer introduced the report. A provisional Audit results report had previously been received by the Committee, and the purpose of this report was to give the Committee the opportunity to review the Reports prior to their final sign off.

The Chief Finance Officer highlighted the following points from Ernst and Young's conclusion. Regarding financial statements, an unqualified opinion had been issued. The financial statements give a true and fair view of the financial position of the Council as at March 2021. Regarding value for money, Ernst and Young have completed their consideration of the impact of the Councils non-compliance with the rent standard. This represent a significant weakness in governance arrangements in 2021, and are therefore reporting by exception details of the significant weaknesses in their audit report. They have also considered this in their Value for Money commentary. Regarding the Statement of Accounts, these do not include anything not previously presented to the Committee.

On the proposal of Councillor Lynch, seconded by Councillor Back, it was by a unanimous vote

#### **RESOLVED**

That the Committee:

1. Notes the external auditors' findings within the Audit Results Report 2020/21 (Appendix A).
2. Notes the Auditors Annual Report (AAR) which includes the Value for Money commentary (Appendix B).
3. Notes the final Statement of Accounts for 2020/21 (Appendix C).
4. Approves final sign-off and publication of the 2020/21 audited statement of accounts allowing EY to issue the audit certificate to conclude the audit.

### **5 Capital Strategy 2024/25 to 2027/28**

This item was deferred.

**6 Treasury Management Strategy Statement for 2024/25 & Treasury Management Investment Strategy for 2024/25**

This item was deferred.

**7 Corporate Risk Management Update**

This item was deferred.

**8 Internal Audit Plan 2023/24 Progress Report**

The Committee received report ES/1768 of Councillor Vince Langdon-Morris, Cabinet Member with Responsibility for Resources and Value for Money, and Councillor Tim Wilson, Assistant Cabinet Member for Resources and Value for Money.

The Head of Internal Audit introduced the report, the purpose of which was to update the Committee on the plan of work for 2023/24. The Committee had approved the plan earlier in the year, but it did shift depending on the risks that were identified.

The Head of Internal Audit highlighted the table in Appendix A of the report which detailed the progress of each activity on the plan. As had previously been discussed by the Committee, there were a number of vacancies in the Internal Audit team, but the Head of Internal Audit believed there was enough coverage at present for an opinion to be issued at the end of the year.

The Chair invited questions.

Following a question from Councillor Speca on staff resource, the Head of Internal Audit confirmed that some items could be deferred if necessary. An agency worker had also been bought in to provide additional support, and some resource was available from Ipswich Borough Council. The scope of the work for each area could also be revised depending on what was happening. The Head of Internal Audit reassured the Committee that it was normal for the plan to shift, and that the team had the expertise and coverage in the team to complete the necessary work.

Councillor Lynch referred to planning enforcement follow up action which had been deferred, and asked why this had been done as concerns had been raised in this area previously. The Head of Internal Audit stated that because there had been assurances from the planning department that this was in hand this had been deferred to the first quarter of the next year. It was recognised that this was an area of concern and it would be covered.

The Chair asked if there was anything the committee could do stress the need for extra staff in this area. Councillor Gandy added that this seemed to be a recurring issue and asked why this was. The Head of Internal Audit stated that this was an issue for all

Councils, which was why partnership working was so important. The Chair asked that the Committee consider the issue of resourcing of the Internal Audit team as this was a potential risk.

On the proposal of Councillor Thompson, seconded by Councillor Reeves it was

**RESOLVED**

That having commented upon the progress and updates made to the Internal Audit Plan 2023/24, the Committee endorses its contents.

**9 Anti-Fraud and Corruption Strategy 2023**

This item was deferred.

**10 Whistleblowing Policy**

This item was deferred.

**11 Internal Audit Reports Recently Issued**

The Committee received report **ES/1769** of Councillor Vince Langdon-Morris, Cabinet Member with responsibility for Resources and Value for Money and Councillor Tim Wilson, Assistant Cabinet Member for Resources and Value for Money.

The Head of Internal Audit introduced the report which presented three internal audit reports concerning Capital Accounting Follow Up 2023-24m Changing Places Certification 2023-24 (relating to 2022-23) and ESC COMF Fund Certification 2023-24 (relating to 2022-23).

On the proposal of Councillor Gandy, seconded by Councillor Back it was

**RESOLVED**

That having commented on the attached internal audit reports, the Audit and Governance Committee note their contents:

- Capital Accounting Follow Up 2023-24
- Changing Places Certification 2023-24 (relating to 2022-23)
- ESC COMF Fund Certification 2023-24 (relating to 2022-23)

**12 Amendment to the Constitution: Planning Committee Member Call In Process**

The Committee received report ES/1781 of Councillor Kay Yule, Cabinet Member with responsibility for Planning and Coastal Management.

The Planning Manager introduced the report which asked the Committee to make a change to the Constitution regarding the consideration of planning applications by referral panel. The change had been recommended by Scrutiny Committee and agreed by the Strategic Planning Committee, it now needed the approval of Audit and Governance and Full Council. The proposed change would allow a town or parish

council and a ward member to ask for a planning application to go to a planning committee. If a member of planning committee member agreed then the application could be added to the agenda without the referral panel having to agree.

Councillor Lynch asked how this change would impact the number of applications heard by a planning committee. The Planning Manager commented that this was unknown. The proposed change placed more power in the hands of Councillors to take into account feedback from their Parish and Town Councils. The effectiveness of the new process and its impact would be reported to Strategic Planning Committee to see how often it was used and how useful it was. Officers and members did need to consider that this could significantly impact the workload of planning committees, and take into account other referral processes that existed.

The Chair asked whether there was there an intention to review this change and amend it if necessary. The Planning Manager stated that when the Strategic Planning Committee received their annual report they could then recommend that a change was made to this process if it was felt necessary.

Councillor Lynch stated that the committee should recommend that this process was reviewed in six months to ensure that it was working. Councillor King agreed that this should be reviewed to ensure that the amendment was helping residents and not adding to their frustrations as the planning process was a common cause of complaints.

Councillor Specca agreed that any review should not be based on the number of applications, but on how well this served communities.

The Chair agreed that a recommendation should be added which stated that this process be reviewed six months after implementation.

On the proposal of Councillor King, seconded by Councillor Lynch it was

## **RESOLVED**

That Audit and Governance Committee recommends to Full Council that the Council's Constitution be amended as per Strategic Planning Committee's proposals of 3 July 2023, to introduce a Planning Committee Member Call in process and to amend the scheme of delegations, as detailed at sections 3.1 and 3.2 of this report.

That the Planning Committee Member Call In process be reviewed six months after implementations.

## **13 Proposed changes to East Suffolk Council's Constitution**

The Committee received report ES/1782 of Councillor Dr Anthony Specca, Chair of the Council and Chair of the Constitution Review Working Group. The purpose of the report was to summarise the work of the Constitution Review Working Group (CRWG) and set out the initial review of the Council's Constitution.

Councillor Specca introduced the report and stated that he was bringing this proposal forward on behalf of the CRWG which included councillors from all parties. All decisions and changes in the report were made on a unanimous basis, and the group specifically agreed in their terms of reference that a vote would be a last resort. The aim of the group was to ensure that the constitution was democratically sound and accessible. The constitution should be accessible to all councillors, officers and the public. Some of the council processes were very confusing, for example the procedure for motions being debated by Full Council, and it was hoped that the revised Constitution put all parties on even footing. Councillor Specca added that several officers were also included in the working group, and their views were taken into account. Many of the changes had been identified by officers in the previous four years.

The Chair invited questions.

Councillor Gandy welcomed the change to motions to ensure they were heard equally at Full Council. Regarding the allocation of motions and the time limit for motions, how would this work practically, as it could be possible for two parties motion to take up all the time, and therefore the third party could continually be pushed back. Councillor Specca stated that this had been discussed at length. This referred to motions on notice, and normally motions brought forward here were brought forward only by the opposition parties. The time limits were suggested, and could be flexed if the Chair believed it was appropriate. The limits here were to ensure that more motions were heard, not less.

Councillor Lynch asked why there was a limit on people only speaking once, sometimes Councillors had multiple questions for areas they were interested in or had knowledge on. Councillor Specca commented that this had been done as in practise members often introduced debate into the period set aside for questions. This change was intended to remove the artificial barrier between questions and debate which was ignored. People would be allowed to make one substantive speech, but would be allowed to ask questions for clarification as these often got lost. It was already the case that councillors could only speak once. The chair should not stand in the way of discussion and should not allow certain people to speak more than others. This rule was intended to provide the chair with a way of moderating this debate. It could be flexed if needed but there had to be some sort of limit. Councillor Specca stated that Councillors should be prepared to make their point in one speech.

The Chair asked if the discretion of the Chair was stated in these rules. The Monitoring Officer confirmed that the principal of chairs discretion was reflected in these rules, this could be made more explicit based on feedback. Councillor Specca stated he sympathised with these concerns and the issue could be reviewed further down the line if further flexibility was needed.

Councillor Gandy stated that the question process was about understanding what motions were intending, although it was misused for political purposes. She would like to see more questions encouraged, and less speeches, as most people should come to the meeting with an understanding of what they thought about a motion. Councillor Specca stated he agreed with this point, and that it had proven to be difficult to balance the need to limit people making continued speeches, and the desire to encourage good

questions. This rule was movement in this direction, and there could be further work done here.

Councillor King stated he had found these procedures very difficult as a new councillor, and asked if there could be a diagram to explain some of them. He added that the process for questions from members of the public had been clarified but more could be done to provide help to the public themselves. Councillor Specca stated that the Constitution should cover the rules only, and there was a plan for there to be a supplementary document which explained certain parts of the Constitution (for example submitting a question or a motion). Training for Councillors would also be held to ensure people understood what they needed to do. Most members of the public would therefore interact with these higher level explanatory documents rather than the constitution to itself.

Councillor Lynch referred to the petitions scheme, and asked if more information would be provided on this to ensure that petitions would be relevant and within the Council's realm of influence. Councillor Specca stated that the petitions scheme would be rewritten, but during this interim period the current petition scheme would apply. The Strategic Director added that the current petitions scheme did state that petitions should be something that were within the councils control, but this could be made more explicit.

On the proposal of Councillor Thompson, seconded by Councillor Reeves it was

**RESOLVED**

That Audit and Governance Committee recommends to Full Council that the substantive changes to East Suffolk Council's (ESC's) Constitution proposed by the Constitution Review Working Group (CRWG), as summarised in this report and as shown at Appendix A, Appendix B and Appendix C of this report, be adopted as East Suffolk Council's Constitution pending the CRWG's completion of its full review of the Constitution.

**14 Audit and Governance Committee's Forward Work Programme**

The Committee noted the forward work programme.

**15 Exempt/Confidential Items**

On the proposal of Councillor Lynch, seconded by Councillor King it was

**RESOLVED**

That under Section 100A(4) of the Local Government Act 1972 (as amended) the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1, 2 & 3 of Part 1 of Schedule 12A of the Act.

**16 Exempt Minutes**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

**17 Report on the Outcome of an Investigation of a Complaint**

- Information that is likely to reveal the identity of an individual.

**18 Internal Audit Status of Actions**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

**19 Internal Audit Reports Recently Issued (Exempt)**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The meeting concluded at 20:23.

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Chair