

Unconfirmed



Minutes of a Meeting of the **Audit and Governance Committee** held in the Deben Conference Room, East Suffolk House, on **Monday, 12 September 2022 at 6:30 PM**

Members of the Committee present:

Councillor Judy Cloke, Councillor Tony Cooper, Councillor Linda Coulam, Councillor Louise Gooch, Councillor Geoff Lynch, Councillor Ed Thompson

Other Members present:

Councillor Edward Back, Councillor Maurice Cook

Officers present: Matt Makin (Democratic Services Officer), Siobhan Martin (Head of Internal Audit Services), Marie McKissock (Finance Manager Compliance), Brian Mew (Chief Finance Officer & Section 151 Officer), Phillip Ridley (Head of Planning and Coastal Management), Lorraine Rogers (Deputy Chief Finance Officer), Alli Stone (Democratic Services Officer), Julian Sturman (Specialist Accountant – Capital and Treasury Management), Ben Woolnough (Planning Manager - Development Manager), Frances Wykes (Principal Auditor)

1 Apologies for Absence and Substitutions

Apologies for absence were received from Councillor Mick Richardson and Councillor Rachel Smith-Lyte. There were no substitutions.

2 Declarations of Interest

There were no Declarations of Interest.

3 Minutes - 25 July 2022

On the proposition of Councillor Coulam, seconded by Councillor Cloke with was by a majority vote

RESOLVED

That the Minutes of the Meeting held on 25 July 2022 be agreed as a correct record and signed by the Chairman.

4 Update from Ernst & Young

This item was removed from the agenda due to there being no significant change since the Committee's last meeting.

5 Treasury Management Outturn 2021/22 and Mid-Year 2022/23 Report

The Committee received report **ES/1271** of Councillor Maurice Cook, the Cabinet Member with responsibility for Resources, which provided a mid-year report on the Treasury Management function including prudential indicators for 2021/22 and a mid-year review of 2022/23.

Councillor Cook introduced the report and summarised the investments for 2021/22 which totalled £143.37million at 31 March 2022, borrowing which totalled £65.81million and £1.08million received in interest. Councillor Cook confirmed that East Suffolk Council had operated within its approved Prudential Indicator Limits for 2021/22.

Councillor Cook summarised activity for the first half of the 2022/23 year. As at 31 August 2022, investments totalled £147.5million and £0.30million had been received in interest. Councillor Cook noted that the Council continued to ensure security and make investments which met the ethical investment criteria.

The Chairman commented that whilst the Council was receiving more than expected in interest, there would be higher costs related to borrowing. With regards to investment, the Chairman asked if the table provided at Appendix A could be expanded to help the Committee make sense of where the Council was investing, as there had been some recent news stories about other Councils taking on a great deal of debt through inter authority loans. Officers confirmed they were aware of this and would amend this report going forward to provide the necessary detail.

There being no further questions, it was on the proposition of Councillor Coulam, seconded by Councillor Cooper and by a unanimous vote

RESOLVED

1. That having commented on the report, the Audit and Governance Committee note the Annual Report on the Council's Treasury Management activity for 2021/22 incorporating the Mid-Year review for 2022/23.
2. That having commented on the report, the Audit and Governance Committee note Prudential Indicators Outturn position for 2021/22 in Appendix B

6 Code of Corporate Governance

The Committee received report **ES/1272** of Councillor Maurice Cook, the Cabinet Member with responsibility for Resources and Councillor Edward Back, the Assistant Cabinet Member for Resources, which detailed the refreshed Code of Corporate Governance.

The Head of Internal Audit summarised the report and highlighted the seven core principles of public sector governance and how they related to one another. The Head

of Internal Audit noted that the format of the Code of Corporate Governance had changed to show which of the Councils documents and governance arrangements supported each principle.

The Chairman stated that this was an important document for the Council to ensure good governance and invited questions and comments.

Councillor Gooch referred to the principle concerning openness and comprehensive stakeholder engagement and asked how the Council was engaging with stakeholders who did not have access to the internet or social media. Officers confirmed that the Council did not solely rely on online engagement, and action was being taken in this area particularly with regards to cost of living projects.

Councillor Gooch asked if the connection between these principles and the Nolan Principles could be made clearer. Officers confirmed that the Nolan Principles underpinned everything in the document, and they would amend the document to make this clearer.

There being no further questions, on the proposal of Councillor Cloke and seconded by Councillor Gooch it was by a unanimous decision

RESOLVED

That having commented upon the upon the refreshed Code of Corporate Governance, the Audit and Governance Committee recommend to Full Council that it adopts the refreshed Code of Corporate Governance attached at Appendix A to this report.

7 Internal Audit Reports Recently Issued

The Committee received report **ES/1273** of Councillor Maurice Cook, the Cabinet Member with responsibility for Resources and Councillor Edward Back, the Assistant Cabinet Member for Resources which related to recently issued Internal Audit Reports.

The Head of Internal Audit introduced the report and advised that one report had been issued regarding Key Financial Controls 2021/22, and an effective opinion had been given with one recommendation.

The Chairman invited questions and comments.

Councillor Cooper referred to the recommendation which had been made and asked how this was progressing. Officers confirmed that this had a completion date of the end of September, and audit would follow up after this date and report back to the Committee as appropriate.

Councillor Gooch referred to the lack of awareness from budget holders on variances and overspend and asked if this issue had been identified by budget holders themselves or audit. Officers confirmed that this had been raised by audit, and a training programme was being rolled out to bring all budget holders up to the same level of understanding.

Councillor Coulam questioned whether there was an end date for the review of housing rents. Officers responded that they did not have this at present but would follow up and confirm the end date.

There being no further questions, on the proposal of Councillor Cooper and seconded by Councillor Thompson, it was by a unanimous vote

RESOLVED

That having commented upon the Key Financial Controls 21/22 report, the Audit and Governance Committee note its contents.

8 Audit and Governance Committee's Forward Work Programme

The Chairman stated that the agenda for December was looking full at this point and asked that Officers be mindful of their workload and defer reports to other meetings as appropriate.

The Chairman stated that an extraordinary meeting would be considered for January to help manage the work programme if necessary.

9 Exempt/Confidential Items

On the proposal of Councillor Coulam, seconded by Councillor Thompson it was by a unanimous vote

RESOLVED

It is recommended 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 Paragraph 3 of Part 1 of Schedule 12A of the Act.

10 Exempt minutes - 25 July 2022

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

11 Update on the use of Purchase Orders

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

13 Internal Audit Status of Actions

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

14 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 TBC

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Chairman