

**Unconfirmed**



Minutes of a Meeting of the **Audit and Governance Committee** held in the Deben Conference Room, East Suffolk House, on **Monday, 13 March 2023 at 6:30 PM**

**Members of the Committee present:**

Councillor Judy Cloke, Councillor Linda Coulam, Councillor Tess Gandy, Councillor Geoff Lynch, Councillor Mick Richardson, Councillor Rachel Smith-Lyte, Councillor Ed Thompson

**Other Members present:**

Councillor Edward Back, Councillor Maurice Cook

**Officers present:** Chris Bing (Head of Legal and Democratic Services), Sarah Davis (Democratic Services Officer), Siobhan Martin (Head of Internal Audit Services), Marie McKissock (Finance Manager Compliance), Brian Mew (Chief Finance Officer & Section 151 Officer), Sheila Mills-James (Corporate Fraud Manager), Alli Stone (Democratic Services Officer), Julian Sturman (Specialist Accountant – Capital and Treasury Management)

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**1 Apologies for Absence and Substitutions**

Apologies were received from Councillor Cooper.

**2 Declarations of Interest**

There were no declarations of interest.

**3a Minutes - 12 December 2022**

On the proposition of Councillor Gandy, seconded by Councillor Richardson it was by a unanimous vote

**RESOLVED**

That the minutes of the meeting of 12 December 2022 be agreed as a correct record and signed by the Chairman.

**3b Minutes - 23 January 2023**

On the proposition of Councillor Gandy, seconded by Councillor Smith-Lyte n it was by a unanimous vote

## **RESOLVED**

That the minutes of the meeting of 23 February 2023 be agreed as a correct record and signed by the Chairman.

### **4 Treasury Management 2022/23 Quarter 3 Report**

The Committee received report **ES/1494** of Councillor Cook, Cabinet Member with responsibility for Resources. Councillor Cook introduced the report and summarised the treasury management position for quarter 3. Total investments were at £131.34 million, which could be split into £91 million short-term investments, £20.34 million long-term investments, and £20 million liquidity investments.

Councillor Cook commented that interest on investments totalled £938.5k which was greater than expected largely as a result of the changes in the Bank of England base rate. Councillor Cook confirmed no new borrowing had been undertaken in quarter 3.

The Chairman commented on the increased base rate, which in this respect was benefitting the Council through increased returns.

On the proposition of Councillor Gandy, seconded by Councillor Richardson it was unanimously

## **RESOLVED**

That the quarter 3 report on the Council's Treasury Management activity for 2022/23 be noted.

### **5 Corporate Fraud Plan 2023/24**

The Committee received report **ES/1495** of Councillor Cook, Cabinet Member with responsibility for Resources and Councillor Back, Assistant Cabinet Member for Resources. Councillor Back introduced the report which provided the Committee with an overview of planned corporate anti-fraud work to be carried out during the 2023/24 year. Councillor Back thanked the corporate fraud team for their hard work in this area.

The Head of Internal Audit summarised the report and highlighted the areas which the team would be investigating. The Head of Internal Audit reassured the Committee that the service was not limited to these areas and would investigate any issues which were raised.

Councillor Gandy referred to previous discussions in the Committee concerning recruitment and asked if this was a concern for corporate fraud. The Head of Internal

Audit confirmed all vacancies in the team were filled, and that they were hoping to take on a trainee Corporate Fraud Investigator in the near future.

On the proposition of Councillor Richardson, seconded by Councillor Coulam it was by a unanimous vote

#### **RESOLVED**

That having reviewed its contents, the Audit and Governance Committee approves the Corporate Fraud Business Plan 2023/2024.

### **6 Annual Data Protection Plan 2023/2024**

The Committee received report **ES/1496** of Councillor Cook, Cabinet Member with responsibility for Resources and Councillor Back, Assistant Cabinet Member for Resources. Councillor Back introduced the report which provided an overview of planned work by data protection services in 2023/24. The plan was based on annual core activities and projects identified as part of a self-assessment process.

The Head of Internal Audit highlighted the areas the team would be working on. The Council dealt with a large amount of confidential data, and the Head of Internal Audit confirmed that officers across the Council often consulted the data protection team for information and advice.

The Chairman asked that a robust programme be put in place for new Councillors to ensure they understood their responsibilities with regards to data protection. The Head of Internal Audit confirmed that the very first induction sessions for Councillors would include information on data protection, and more in depth training sessions would follow.

On the proposition of Councillor Coulam, seconded by Councillor Richardson it was

#### **RESOLVED**

That having reviewed and commented upon the Annual Data Protection Plan 2023/24, the Audit and Governance Committee notes its contents.

### **7 Annual Internal Audit Plan 2023/2024**

The Committee received report **ES/1497** of Councillor Cook, Cabinet Member with responsibility for Resources and Councillor Back, Assistant Cabinet Member for Resources. Councillor Back introduced the report which presented the Internal Audit Plan for 2023/24.

The Head of Internal Audit highlighted the service areas which the internal audit team would be auditing, which covered all areas of the Council's work. Following Covid when a great deal of work had to be done by the internal audit team, the audit plan was split so that 'Essential' audits were prioritised, with other audits ranked and completed according to need.

The Head of Internal Audit confirmed that some work was being done on auditing IT with the assistance of an external consultant but there was still a vacancy for an auditor who specialised in IT.

Following a question from Councillor Gandy, the Head of Internal Audit confirmed that there was not an issue with retention in the team, but there were difficulties in attracting new members of staff and this was a widespread issue.

The Chairman stated that he agreed with the essential audit areas identified in the plan and asked that the team continue to be flexible. The lack of resource for IT was concerning as this was an important area which needed to be tested. The Chairman asked that the Committee were kept up to date on this issue.

On the proposition of Councillor Gandy, seconded by Councillor Coulam, it was by a unanimous vote

### **RESOLVED**

That having reviewed its contents, the Audit and Governance Committee approves Annual Internal Audit Plan 2023/24.

## **8 Covert Investigation Policy**

The Committee received report **ES/1500** of Councillor Cook, Cabinet Member with responsibility for Resources and Councillor Back, Assistant Cabinet Member for Resources. Councillor Back introduced the report which presented the updated Covert Investigation Policy. The Council's current policy had last been updated in June 2021. The policy had not been changed a great deal and had mainly been refreshed to provide additional clarity. Councillor Back thanked the internal audit team for their work on this and all areas they were involved in.

The Head of Internal Audit confirmed that very little had changed in the policy, the largest changes concerned authorisation timescales for officers who applied to carry out covert investigations. The Head of Internal Audit confirmed training was taking place to ensure officers understood what was required of them, and officers would not be able to carry out any investigation until they had completed the training.

The Chairman thanked both the internal audit and finance teams for their work which ensured the Council had not been unduly exposed to risk.

On the proposition of Councillor Coulam, seconded by Councillor Richardson it was by a unanimous vote

### **RESOLVED**

That the Audit and Governance Committee approve the refreshed Covert Investigation Policy.

## **9 Forward Work Programme 2023-24**

The Committee considered the Forward Work Programme for the 2023/24 year.

The Chairman noted that there may have to be an extraordinary committee meeting in April to consider loans to one of the Council's Local Authority Trading Companies.

**10 Exempt/Confidential Items**

On the proposition of Councillor Richardson, seconded by Councillor Coulam it was

**RESOLVED**

That as 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 Paragraphs 1, 2 and 3 of Part 1 of Schedule 12A of the Act.

**11a Exempt minutes - 12 December 2022**

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

**11b Exempt minutes - 23 January 2023**

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

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

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

The meeting concluded at 8.32pm

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Chairman