

# AUDIT & GOVERNANCE COMMITTEE

## MINUTES

TUESDAY 8 DECEMBER 2015  
GIPPING ROOM, GRAFTON HOUSE  
6.00 PM

**Present:** Councillors J Cook (Chair), A Leeder, J Powell, J Riley, A Ross, E Phillips, R Pope (Substitute) and A Hanson

**28. Apologies for Absence**

Apologies for absence were received from Councillor R Hyde-Chambers.

**29. Unconfirmed Minutes of the Meeting held on 1 September 2015**

**Resolved:**

that the minutes of the meeting held on 1 September 2015, be signed as a true record.

**30. To confirm the dates of the next meetings:**

**Resolved:**

that the dates of future meetings be confirmed as printed on the Agenda, with meetings to commence at 6.00pm.

**31. To Confirm or Vary the Order of Business**

It was requested that Agenda Item 10 (Update on Local Government Pension Scheme) be considered prior to Agenda Item 7 (report AG/15/13) and this was agreed.

**Resolved:**

that, subject to Agenda Item 10 being considered before Agenda Item 7, the Order of Business be as printed on the Agenda.

**32. Declarations of Interest**

There were no declarations of interest.

**33. AG/15/12 External Audit - Annual Audit Letter 2014/15**

- 33.1 The Operations Manager, Finance & Procurement reported that the Annual Audit Letter would be PWC's last address to the Council and they confirmed that they had reported to the National Audit Office that the consolidation pack fell below the threshold for requiring additional assurance procedures. The updated fees were detailed and no further work was required.
- 33.2 The Officer confirmed that two claims which had been certified were Housing Benefit Claims and the Council were taking measures to address this.
- 33.3 In respect of the purchase of the former sugar beet factory at Sproughton Road, the Officer confirmed that the Local Government Code of Practice had been followed and as no rental income or plan had been in place it had been classified as a land holding. PWC had taken advice on the status of the development under the International Financial Reporting Standards and this had led to the Council determining that the site would be reclassified as an investment property.
- 33.4 Mr Hanson asked for the current Council Tax arrears figures and the Officer agreed to forward this to the Committee.
- 33.5 On behalf of the Audit & Governance Committee the Chair thanked PWC for their work.

**Resolved:**

**that the Annual Audit Letter 2014/15, as attached at Appendix 1 to the report Ref No: AG/15/12, be noted.**

**34. Update on Local Government Pension Scheme - Presentation by SCC Pensions Officer**

- 34.1 Paul Finbow, Senior Pensions Specialist of Suffolk County Council updated on the Pensions Fund performance from last year. The Suffolk Pension Fund Committee comprised of 7 County Councillors 2 District Councillors and 1 Trade Union representative. The Committee were advised by Council Officers, a Fund Actuary, an Investment Advisor, Fund Managers and other external advisors.
- 34.2 A (non-decision making) Suffolk Pension Board had been created to assist in the administration and to make sure effective and efficient governance arrangements were in place. This included 3 employer and 3 employee representatives.

- 34.3 The value of the fund at March 2015 was £2,198m, an increase in 2014/15 of over £314m. There were 143 active employers in the fund and this would be expected to increase as more schools became academies.
- 34.4 The fund invested in a range of different assets and 12 Investment Managers focussed on those which gave a good return in growth and also a range of smaller investments which provided a different way of investing in an effort to try to beat the index. No individual company had more than 1% of the fund and there were no restrictions on what could be invested in, inclusion purely depended on good performance.
- 34.5 The Chair thanked Mr Finbow for his presentation on the Suffolk Pension Scheme.

**35. AG/15/13 Treasury Management Performance 2015/16 Mid-Year**

- 35.1 The Operations Manager, Finance & Procurement presented this report which was the mid-year Treasury Management Performance report for 2015/16. He explained that he had a number of counterparties that could be invested with to give better access to a larger part of the market to invest in.

**Resolved:**

**that the Treasury Management Operations for the period 1 April 2015 to 30 September 2015, be noted.**

**36. AG/15/14 Financial Management Control - Corporate Budget Monitoring 2015/16 Quarter 2**

- 36.1 The Operations Manager, Finance & Procurement presented this second quarter budget report and made reference to the three items requiring no amendment but which were being closely monitored. They were the potential loss of Housing Benefits subsidy (due to the current level of Local Authority (LA) error), the income target of the car parks and the levels of market income.
- 36.2 Discussion took place about the regular pitch holders, the General Fund deficit and how the capital receipts were forecast. It was confirmed that the £4m in the budget for flood defences at the Wet Dock had come from the Local Enterprise Partnership.

**Resolved:**

**that the report be noted.**

**37. AG/15/15 Review of IBC Corporate Risk Register 2015/16**

- 37.1 The Operations Manager, Corporate Support presented this report and asked the Committee to review and agree the Corporate Risk Register, which was monitored on a monthly basis by the Corporate Management Team.

37.2 The Officer confirmed that the Business Planning & Management Risk would be reviewed and revisited to ensure the rating was up to date.

**Resolved:**

**that the updated Corporate Risk Register, as attached at Appendix 1 to report Ref No: AG/15/15, be agreed.**

**38. AG/15/16 Status of Internal Audit Recommendations**

38.1 The Audit Manager presented this report which informed the Committee of the status of agreed audit recommendations as a result of Internal Audit review up to 31 October 2015. The definitions for the priorities were rated as high, medium or low and the terms to describe the status were complete, pending or overdue. All recommendations were regularly reviewed by the Corporate Management Team on a quarterly basis and liaison takes place by each Manager on an ongoing basis. Since the report had been published three recommendations highlighted as overdue had been implemented.

38.2 649 – Housing Rents – It had been confirmed that within the Integrated Housing Management System (IHMS), internal update of the Gross Rent Change could now be calculated.

38.3 RM007 – Data Protection – It was confirmed that the Data Protection Officer had attended further Data Protection Training on 4 December 2015.

38.4 HCS003 - Rent Deposit & Rent in Advance Scheme – This had been discussed with the Portfolio Holder.

38.5 Discussion took place around target dates and the actions that were reliant on third party involvement.

38.6 572 – Disaster Recovery – The Head of Resource Management said that he was confident that the new recovery site would be ready by the end of the year as most outstanding actions related to the finalisation of documentation and the testing of the system.

**Resolved:**

**that the Status of Internal Audit Recommendations report be noted.**

**39. AG/15/17 Audit & Governance Committee Future Work Programme 2015/16**

39.1 It was confirmed that the Regulation of Investigatory Powers Act (RIPA) Policy and the Whistleblowing Policy would be included in the Work Programme for June 2016.

**Resolved:**

that the Audit & Governance Committee Future Work Programme 2015/16, with the inclusions above, be noted.

40. **Exclusion of Public**

Resolved:

that the public (including the Press) be excluded from the meeting during consideration of the following items under section 100(A) of the Local Government Act 1972 as it is likely that if members of the public were present during these items there would be disclosure to them of exempt information falling within Paragraph 3 of Schedule 12A of the Act.

41. **Unconfirmed Exempt Minutes of the Meeting held on 1 September 2015**

42. **AG/15/18 Internal Audit - Recently Issued Reports**

The meeting closed at 7.35 pm

Chair