Present: Councillors S Barber, J Cook (Chair), A Leeder (Vice-Chair), E Phillips, R Pope, J Powell and A Hanson

18. Apologies for Absence

Apologies of absence were received from Councillor D Maguire.

19. Unconfirmed Minutes of the Meeting held on 7 June 2016

Resolved:

that the minutes of the meeting held on 7 June 2016, be signed as true record.

20. To confirm the dates of the meetings:

Resolved:

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

21. To Confirm or Vary the Order of Business

It was requested that Agenda Item 14 – AG/16/18 Statement of Accounts and the Annual report to those Charged with Governance 2015/16 be considered prior to Agenda Item 6 (report Ref No: AG/16/10) and this was agreed.

Resolved:

that, subject to Agenda Item 14 being considered before Agenda Item 6, the Order of Business be as printed on the Agenda.
22. **Declarations of Interest**

There were no declarations of interest.

23. **AG/16/18 Statement of Accounts and the Annual Report to those Charged with Governance 2015/16**

23.1 The Operations Manager, Finance & Procurement presented this item and introduced Mr Kevin Suter of Ernst & Young. Mr Suter reported that the auditors were in the middle of the process, working through a number of issues and some adjustments might be made related to the fixed assets. He listed the risks as revenue recognition and the reliance put upon actuaries and advisors but his specialists were working through these concerns. He drew attention to a further risk, in relation to the ‘value for money’ responsibility associated with the Council establishing a separate company.

23.2 In response to Councillor Phillips who asked Mr Suter why he felt there was a risk in forming a separate company as this decision had been agreed at Executive in March 2016, the External Auditor said that such decisions were always reviewed at Audit and this was included as the decision had been made in the previous financial year. He summarised that nothing had arisen so far which would change his unqualified opinion.

23.3 Mr Hanson asked why (in the credit risk section) of the Statement of Accounts, the historical experience of default for Trade Receivables stood at 10.08%. The Operations Manager, Finance & Procurement said that these were outstanding debts for services or various works which allowed for settlement within 30 days. The Officer agreed to circulate more information to all Councillors about what these trade receivables with a % of default were.

23.4 In response to a question from Councillor Leeder about the Council’s response to the 100% retention of Business Rates consultation and how it would work within two tier areas, it was confirmed that the 100% retention would likely to continue to be subject to a relative needs formula for all Councils. However, how this might affect IBC was unknown at the moment.

23.5 Councillor Pope asked what the liability was in relation to the local government pension scheme deficit. Councillor Pope was informed that a presentation from the Suffolk Local Government Pension Scheme had been arranged for the December meeting. Councillor Pope also asked whether the amount of rent arrears written off had increased as the proportion of gross rent income had increased. The Operations Manager, Finance & Procurement said that in relation to the amount of rent collected the amount written off was minimal.

23.6 Mr Hanson asked what ‘Investment Properties’ were referred to within the Capital Adjustments Account and the Operations Manager, Finance and Procurement agreed to circulate the schedule of investment properties to the Committee.
23.7 Councillor Phillips referred to the underspend on the general revenue account and asked how it could be made more robust. The Officer said that the outturn for 2015/16 was similar to 2014/15 and it was how the figures were presented within the report. The budget for the year included some reserves which were not shown during the yearly figures which then gave an underspend. The Officer agreed that the presentation of the figures would be amended to make this clearer. The Head of Resource Management said that there had been some transitional vacancies last year as many positions were held as available as part of process engineering and these contributed significantly to the underspend.

Resolved:

1. that the Annual Statement of Accounts 2015/16, attached at Appendix 1 to report Ref No: AG/16/18, be noted and submitted to Council for approval.

2. that the Annual report to those charged with Governance (ISA 260), attached at Appendix 2 to report Ref No: AG/16/18, be noted.

3. that the notice of availability of accounts and supporting information for inspection by the public, attached at Appendix 3 of report Ref No: AG/16/18, be noted.

24. AG/16/10 Code of Corporate Governance and Annual Governance Statement 2015/16

24.1 The Head of Resource Management presented this report in the absence of the Operational Manager, Corporate Support and in respect of the complaints which were monitored quarterly through the Corporate Management Team Dashboard, the Officer was tasked to provide more information on the complaints/enquiries received and the three ‘ICT Security Incidents’ reported.

Resolved:

that the Code of Corporate Governance and the Annual Governance Statement for the year ended 31 March 2016, be noted, prior to their submission to Council for the Chief Executive and the Leader of the Council to sign and date the Governance Statement.

25. AG/16/11 Food Hygiene Rating Scheme for Catering Operations in IBC Premises

25.1 The Head of Housing and Community Services presented this report which updated on the food hygiene ratings for existing catering operations on IBC premises following rating concerns at the Corn Exchange and he explained the current range of ratings was from 0-5 with the 5 rating being; very good.

25.2 The Principal Environmental Health Officer explained that the Corn Exchange had recently started offering buffets and there had been some issue with documentation for this and also that wash basins needed to be installed when
using temporary bars. The minimum three month window had occurred before re-inspection had taken place and the Corn Exchange had then been given a 5 rating status.

25.3 Discussion took place about a proposal for a minimum rating standard of 4 for catering services on Council premises and how this could be enforced. It was confirmed that support was offered to any business in need of improvement and the Head of Service agreed to speak to the Communications Operations Manager about a press statement.

Resolved:

1. that the current high standard of catering provision on Council premises, be noted.

2. that the future minimum 4 standard for catering on Council premises be noted.

26. **AG/16/12 Whistleblowing Policy**

26.1 The Head of Internal Audit presented the updated Whistleblowing Policy which remained consistent with standards expected by the Public Interest Disclosure Act.

26.2 The main changes were to contact names and numbers and following adoption it would be promoted on the intranet and IBC’s website from September 2016.

26.3 In response to a question by Mr Hanson the Officer confirmed that five incidents had been reported during the last year. Four had not been taken forward however; one report would be under deliberation during 2016/17.

26.4 The Head of Internal Audit was unable to give any further details about cases, due to confidentiality but could cover examples during a training session prior to the next Committee meeting.

26.5 The following amendments were suggested to the Whistleblowing Policy:-

- 1.3 to read ‘For the purposes of this Policy, “other Council workers” include Volunteers, Agency staff, Contractors and Councillors working for the Council.
- 2.1 a. to read ‘Provide avenues … (e.g. the Safeguarding Children Policy; Bribery Policy and Vulnerable Adults)

Resolved:

that the updated Whistleblowing Policy, with the amendments detailed above, be endorsed.

27. **AG/16/13 Internal Audit - Recently Issued Reports**

27.1 Council Tax (SRPi007)
Councillor Leeder asked how the Council was working to improve the collection rate percentage and the Head of Internal Audit agreed to ask the Shared Revenues Partnership Head of Service to feedback to the Committee.

**Information Governance (CC007)**

Councillor Barber asked what the fifteen mandatory datasets required by the Local Government Transparency Code 2015 were? The Head of Internal Audit said that these were published on the Council’s website and as the implementation date had passed she would report back to the Committee whether the publishing of the three outstanding datasets had been achieved. The Head of Resource Management said that one of the datasets not yet published in full had been about commercial property information as there were concerns about this putting the Council at a disadvantage.

**Housing Maintenance & Repairs (HCS012)**

Councillor Pope asked what the ratio of post work completion inspection record had been implemented, whether bar coding would allow more accurate control over stock and whether the standard £30 labour rate for all trades was correct? The Head of Internal Audit agreed to report back to the Committee about these questions and Councillor Phillips expressed concern about these having future implications on the budget.

**Resolved:**

that the contents of the Audit reports on the following, be noted and the recommendations within the following reports be endorsed.

1. **Information Governance (CC007)**
2. **Housing Maintenance & Repairs (HCS012)**
3. **Council Tax (SRPi007)**

28. **AG/16/14 Internal Audit Charter**

28.1 The Head of Internal Audit presented this item which sought to refresh the Internal Audit Charter, taking into account the expectations set within the Public Sector Internal Audit Standards, since it was last reviewed in July 2014.

28.2 It was confirmed, in respect of independent external assessment, these took place at least once every five years and the next assessment by CIPFA was planned for November 2016. The assessment would take place for a week and records would be looked at and key officers and Councillors would be interviewed.

28.3 A report on their findings would be brought to the Audit & Governance Committee in February 2017.
Resolved:

that the updated Internal Audit Charter, attached at Appendix 1 to report Ref No: AG/16/14, be endorsed.

29. **AG/16/15 Covert Surveillance Policy Update**

29.1 The Head of Internal Audit presented the updated Regulatory of Investigatory Powers Act 2000 (RIPA) Policy now known as the Covert Surveillance Policy. Appendix A to the Policy listed all the supporting documentation which would be available on the intranet for Officer use. The Officer confirmed that it was a statutory requirement to have such a Policy.

29.2 In response to a question the Officer confirmed that the Police frequently requested to view CCTV footage and a strict procedure was in place to authorise this activity.

Resolved:

that the Covert Surveillance Policy, attached at Appendix 1 to report Ref No: AG/16/15, be endorsed.

30. **AG/16/16 Internal Audit - Anti-Fraud & Corruption Strategy**

30.1 The Head of Internal Audit presented the Anti-Fraud and Corruption Strategy and in line with the ‘Protection and Public Purse’, The European Institute for Combating Corruption and Fraud (TEICCF), a zero tolerance had been adopted.

30.2 An amendment was made to 4.0 The ‘Theft Act 1968’. To read ‘Theft is defined…which has been entrusted to it, including cash, equipment, vehicles, data etc.

30.3 Mr Hanson drew attention to the options made available to the Council, within the Prosecution and Sanction Policy. It was considered that ‘1. Take no further action’ sent the wrong message therefore this would be removed from the Policy.

Resolved:

that the Anti-Fraud and Corruption Strategy attached at Appendix 1 to report Ref No: AG/16/16, with the amendments as detailed above, be adopted.

31. **AG/16/17 Financial Management and Control Corporate Budget Monitoring - Update 2016/17**

31.1 The Operations Manager, Finance & Procurement explained that a different approach had been adopted this year with each Head of Service required to
predict the spend of each service group at the end of the year rather than to report on the performance which had taken place.

31.2 Discussion took place about the continued rented occupation of Gipping House, the potential shortfall on car park income, the sports income and expenditure and the change to the way the general service reserves were managed. There had been further progress on the Big Ticket items and this would be reported back at the next meeting.

31.3 Councillor Leeder asked whether it was a cause for concern that the projected underspends were due to potentially non-recurrent items and the Officer said that the situation would likely change throughout the year but was being closely monitored. He also asked how the Trade Waste Income had generated an additional £100k? The Officer said that the target was to retain the income which had decreased at the start of the year and this had been maintained through customer retention.

31.4 In respect of the change in legislation to electrical inspections which had resulted in the trainers requiring more training it was expected that this overspend would be corrected by the end of the year. It was agreed that the Officer would ask the Head of Housing to explain how the change in legislation had been affected, would be corrected and whether this would be sustainable.

31.5 Councillor Pope asked for more detail about the watched items of the sports income and expenditure and the consultants findings about the potential shortfall of car park income and the Officer agreed to update the Committee on these details.

31.6 In response to a question by Mr Hanson about the legal income target not being achieved this year, the Head of Resource Management said that due to resource capacity issues in the Legal Department this year the provision of legal advice to other authorities had been unable to be achieved.

Resolved:

That the Audit & Governance Committee recommends to Executive:

1. the service budget performance and the resulting budget changes for the General Fund, be noted.

   Reason: to facilitate effective budgetary control and forecasting.

2. a Supplementary Estimate from ‘Additional Commitments’ for General Fund services of £73,000, Paragraph 17.1 of report Ref No: AG/16/17, be approved.

   Reason: to facilitate effective budgetary control.

3. the future year effects for the General Fund, be noted.

   Reason: to facilitate effective budgetary planning.
4. the service budget performance be noted and the resulting budget changes for the Housing Revenue Account, be approved.

Reason: to facilitate effective budgetary control.

5. the service budget performance be noted and the resulting budget changes for the Shared Revenues Partnership (SRP), be approved.

Reason: to facilitate effective budgetary control.

6. the position on the 2016/17 and future years Capital Programme and financing resources, be noted.

Reason: to facilitate effective budgetary control.

7. the additional funding of £300,000 in Paragraph 10.4 for Ransomes Sports Centre to be funded from borrowing and that this be added to the Capital Programme for 2016/17, be recommended for approval.

8. that the position in respect of the Council’s Treasury Management activities during 2016/17, be noted.

Reason: to facilitate effective treasury management activity.

32. AG/16/19 Actions Arising from the Anti-Money Laundering Policy

32.1 The Operations Manager, Finance & Procurement reported that there had been three anti-money laundering representations made to the Serious Organised Crime Agency resulting from purchases under the ‘Right To Buy’ scheme.

Resolved:

that the report be noted.

33. AG/16/20 Audit & Governance Committee Future Work Programme 2016/17

33.1 A pensions update from Suffolk County Council be included during the meeting in December 2016.

33.2 A report on the assessment by CIPFA to be included during the meeting in February 2017.

Resolved:

that the Audit & Governance Work Programme 2016/17, with the amendments as detailed above, be noted.

34. Exclusion of Public
Resolved:

that 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 was likely that if members of the public were present during the item there would be disclosure to them of exempt information falling within Paragraphs 3 & 4 of Schedule 12A of the Act.

35. Unconfirmed Exempt Minutes of the meeting held on 7 June 2016

36. AG/16/21 Internal Audit - Recently Issued Exempt Reports

The meeting closed at 8.05 pm

Chair