

Performance and Audit Scrutiny Committee

Minutes of a meeting of the **Performance and Audit Scrutiny Committee** held on **Thursday 22 June 2023** at **5.00pm** in the **Conference Chamber, West Suffolk House**, Western Way, Bury St Edmunds IP33 3YU

Present **Councillors**

Chair Peter Armitage

Richard Alecock
John Augustine
Ian Houlder

Sue Perry
Karen Richardson
Frank Stennett

Substitutes attending for a full member

Susan Glossop
Andrew Smith

Don Waldron

In attendance

Diane Hind, Cabinet Member for Resources
Gerald Kelly, Cabinet Member for Governance and Regulatory
Cliff Waterman, Leader of the Council

177. **Substitutes**

The following substitution was declared:

Councillor Susan Glossop substituting for Councillor Mike Chester.
Councillor Andrew Smith substituting for Councillor Nick Clarke.
Councillor Don Waldron substituting for Councillor Andy Neal.

178. **Apologies for absence**

Apologies for absence were received from Councillor Mike Chester, Nick Clarke, Janne Jarvis and Andy Neal.

179. **Minutes**

The minutes of the meetings held on 26 January 2023 and 30 March 2023 were confirmed as correct records and signed by the Chair.

180. **Declarations of interest**

Members' declarations of interest are recorded under the item to which the declaration relates.

181. Public participation

No members of the public in attendance had registered to speak.

182. 2022 to 2023 Performance Report (Quarter 4)

[Councillor John Augustine arrived at 5.15pm during the consideration of this item.]

The Cabinet Member for Resources presented report number PAS/WS/23/007, which included the full year end financial position and the performance dashboard for the period January to March 2023.

The Cabinet Member drew the Committee's attention to the financial outturn summary which showed a deficit of £0.6m. The underlying cause for this was the slow recovery in relation to income streams. The Committee was reminded that if it wished to speak in detail on Exempt Appendix F – Aged debt over 90 days, which would need to be conducted with a vote to go into a private session.

She then highlighted a number of Key Performance Indicators (KPIs), which members might wish to be aware of as they prepared to scrutinise the dashboards over the coming months, being:

- As the dashboards related to Quarter 4, a full year's data was available on:
 - Council Tax and business rates.
 - Housing delivery.
- A new indicator had been included since the Quarter 3 report around damp and mould, given the current national focus on the issue.
- The covering report included additional data in relation to the cost of living, which would in future be embedded in the main dashboards.

The Cabinet Member informed the Committee if there were issues where it would like to ask questions, and the relevant information was not available tonight or where further information was needed, written responses would be provided to the Committee. Or the Committee could invite the relevant Portfolio Holder to a future meeting for further discussions.

Attached to the Quarter 4 performance and year-end-financial outturn position for 2022 to 2023 were a number of appendices as follows:

- Appendix A: Key Performance Indicator Dashboards
- Appendix B: Income and expenditure report
- Appendix C: Capital Programme
- Appendix D: Earmarked reserves
- Appendix E: Strategic Risk Register
- EXEMPT Appendix F – Aged debt over 90 days

The Committee considered the KPI's and did not raise any issues.

The Service Manager (Finance and Procurement), presented the financial element of the report and drew the Committee's attention to a number of headlines, being:

- Pages 25 to 26: Deficit of £0.6m
- Page 26: The graph showing the £1.5m reduced income, £1.2m of that related to a reduction in car park income.
- High inflation during the year had impacted on fuel and utilities, and this was set out across individual areas in Appendix B.

The Committee considered the report and asked questions on the financial aspect of the report, to which responses were provided. In particular discussions were held on interest rates received on council investments; car parking income and investment income and the counter parties set out in the council's Treasury Management Strategy Statement 2023 to 2024.

In response to a question about the impact of the high inflation rate, the Cabinet Member advised that high inflation was a risk to the council's budget. However, the budget assumptions were reviewed on a monthly basis to ensure the budget was on track.

In response to a question raised about future external borrowing, the Cabinet Member advised that external borrowing could have an effect on future projects. The council would be monitoring interest rates before borrowing externally, and would look at each project on its merits, and could delay projects, if necessary.

At the conclusion of the discussions, the Committee **noted** the year end 2022 to 2023 revenue and capital positions as detailed in report number PAS/WS/23/007 and attached appendices.

183. **Exclusion of the Press and Public**

With the vote being unanimous, it was

Resolved:

That, under Section 100(4) of the Local Government Act 1972, the press and 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 prescribed in Part 1 of Schedule 12A of the Local Government Act 1972, and indicated against each item and, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

184. **2022 to 2023 Performance Report (Quarter 4): Exempt Appendix F**

The meeting moved into private session to allow for the Committee to pose specific questions on the information which related to the aged debt over 90 days, as set out in this exempt Appendix F.

Once the discussion was concluded, the Committee then moved back into the open session of the meeting.

185. **Re-admittance of press and public**

The press and public were re-admitted to the meeting.

186. **Internal Audit Annual Report (2022 to 2023) including results of external assessment of internal audit**

The Cabinet Member for Resources presented Report No: PAS/WS/23/008 which provided members with an overview of the work carried out by Internal Audit for the year ending 31 March 2023.

The annual audit opinion, attached at Appendix A to the report was split into the four constituent elements of governance; risk; internal control and financial control with a specific conclusion drawn on each, as well as the direction of travel.

The council recognised that fraud, theft and corruption were an ever-present threat to the resources available in the public sector. Appendix B attached to the report demonstrated West Suffolk's progress in developing and maintaining an anti-fraud and anti-corruption culture and publicised the action taken where fraud or misconduct had been identified.

All of the work included in the approved 2022 to 2023 audit plan had been completed with the exception of the Performance Management audit which was currently in progress. In addition, although the Operational Risks audit had been completed, the draft report for the audit was currently being discussed with management and remained to be finalised.

The Committee considered the report and did not raise any issues.

There being no decision required, the Committee **noted** the Internal Audit Annual Report 2022 to 2023, attached at Appendix A and the Annual Fraud Report 2022 to 2023, attached at Appendix B and the external assessment of internal audit, attached at Appendix C to Report No: PAS/WS/23/008.

187. **Outline Internal Audit Plan (2023 to 2024)**

The Cabinet Member for Resources presented Report No: PAS/WS/23/009, which provided members with a proposed 2023-2024 Audit Plan, attached at Appendix B. Attached at Appendix A to the report was the covering Internal Audit Plan Report.

The proposed Audit Plan was a risk-based plan of work for the internal audit team, which took into account the need to produce an annual internal audit opinion for the council which concludes on the overall adequacy and effectiveness of the council's framework of governance, risk management and internal control.

It was important that the audit plan was flexible and able to adapt to changing risks facing the council, thereby ensuring that audit resources were used where they would add maximum value.

The Committee considered the report and did not raise any specific issues.

Councillor Karen Richardson moved the recommendation, this was duly seconded by Councillor Andrew Smith, and with the vote being unanimous, it was:

RESOLVED:

That the Internal Audit Plan for 2023 to 2024, attached at Appendix A and B to Report No: PAS/WS/23/009, be approved.

188. Annual Report from the Health and Safety Sub-Committee

The Cabinet Member for Governance and Regulatory presented Report No: PAS/WS/23/010, which summarised the work carried out by the Health and Safety Sub-Committee during 2022-2023. He then explained that the health and safety service had recently been restructured with health and safety being merged with human resources, and introduced Wendy Canham, Service Manager for HR, Health and Safety, Learning and Development and Richard King, the new Health and Safety Manager to the Committee.

The summary report attached at Appendix A was produced to identify and document West Suffolk Council's health and safety performance and work carried out during the year to ensure legal compliance.

The Cabinet Member then drew the Committee's attention to the following sections of the report:

- Section 2: Overview of incidents and near misses
- Section 5: Wellbeing initiatives delivered during 2022 to 2023.
- Section 7: Inspections, audits and fire risk assessments, which were all up to date.

The Committee considered the report and asked questions. In particular discussions were held on incidents and near misses and what steps were being introduced to decrease numbers; how many staff were on long-term sick through council incidents and Martyn's Law draft legislation to ensure stronger protections against terrorism in public places, to which responses were provided.

There being no decision required, the Committee **noted** the Health and Safety Summary Report 2022 to 2023.

189. Annual Appointments to the Financial Resilience Sub-Committee and the Health and Safety Sub-Committee (2023 to 2024)

The Chair of the Committee presented report number PAS/WS/23/011, which sought the annual appointments to the Financial Resilience Sub-Committee and the Health and Safety Sub-Committee.

The Constitution sets out that the appointment of members to the Financial Resilience Sub-Committee and the Health and Safety Sub-Committee be undertaken at the first meeting of the Performance and Audit Scrutiny

Committee, following Annual Council or following a review of the allocation of seats on committees during the year.

Attached at Appendix 1 and Appendix 2 to the report were the terms of reference for the Financial Resilience Sub-Committee and the Health and Safety Sub-Committee.

The Committee was asked to:

- 1) Appoint three members and one substitute member from the members of the Performance and Audit Scrutiny Committee to sit on the Financial Resilience Sub-Committee for 2023 to 2024.

The Committee was advised that the substitute place on the Sub-Committee had not been allocated to a group. The Committee may appoint a member to the group. If it was deemed not practical to do so then in the event that a member of the Sub-Committee could not attend a temporary substitute may be nominated by the group leader to the Monitoring officer; and

- 2) Appoint six members and two substitute members from the members of the Performance and Audit Scrutiny Committee to sit on the Health and Safety Sub-Committee for 2023 to 2024.

Financial Resilience Sub-Committee:

The Chair asked for one nomination from the Conservative Group; one from the Independents and one from the Progressive Alliance Grouping.

Councillor Ian Houlder nominated himself from the Conservative Group.
Councillor Frank Stennett nominated himself from the Independents.
Councillor Sue Perry nominated herself from the Progressive Alliance Grouping.

No further nominations were received from either of the political groups.

In relation to the appointment of a substitute to the Financial Resilience Sub-Committee, the Committee felt that due to the number of apologies received for this meeting, that the appointment should be deferred to the next meeting of the Committee.

Health and Safety Sub-Committee:

The Committee considered the appointments, and felt that due to the number of apologies received for this meeting, that the appointments to the Health and Safety Sub-Committee should be deferred to the next meeting of the Committee, being 27 July 2023.

With the vote being unanimous, it was,

RESOLVED: That

- 1) Councillors Ian Houlder (Conservative Group), Frank Stennett (Independents) and Sue Perry (Progressive Alliance Group), be

appointed as full members to the Financial Resilience Sub-Committee for 2023 to 2024.

- 2) The appointment of a substitute to the Financial Resilience Sub-Committee be deferred for consideration by the Committee at its next meeting on 27 July 2023.
- 3) The appointments to the Health and Safety Sub-Committee be deferred for consideration by the Committee at its next meeting on 27 July 2023.

190. **Work programme update 2023 to 2024**

The Committee received report number: PAS/WS/23/012, which updated members on the current status of its rolling work programme of items for scrutiny during 2020-2021 (Appendix 1).

The Committee considered the report and did not raise any issues.

There being no decision required, the Committee **noted** the update and the deferred report on the Annual Appointments to the Health and Safety Sub-Committee, which would be rescheduled for its next meeting on 27 July 2023.

The meeting concluded at 6.00pm

Signed by:

Chair
