

# Performance and Audit Scrutiny Committee

**Minutes** of a meeting of the **Performance and Audit Scrutiny Committee** held on **Thursday 30 May 2024** at **5.00 pm** in the **Conference Chamber, West Suffolk House**, Western Way, Bury St Edmunds IP33 3YU

Present      **Councillors**

**Chair** Peter Armitage  
**Vice Chair** Frank Stennett

Mike Chester  
Ian Houlder  
Janne Jarvis

Joe Mason  
Karen Richardson

**In attendance**  
Diane Hind, Cabinet Member for Resources  
Cliff Waterman, Leader of the Council

249. **Substitutes**

No substitutions were declared.

250. **Apologies for absence**

Apologies for absence were received from Councillors Richard Alecock, Luke Halpin and Andy Neal.

251. **Minutes**

The minutes of the meeting held on 25 January 2024 were confirmed as a correct record and signed by the Chair.

252. **Declarations of interest**

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

253. **Public participation**

The following member of the public had registered to speak under the following agenda item, but did not attend to speak at the meeting:

Joshua Harris, a resident of West Suffolk, was intending to ask questions in connection with agenda item 8 "2023 to 2024 Performance Report (Quarter Four)" in respect to the development at 17-18 Cornhill, Bury St Edmunds.

Therefore, there was no public participation at the meeting.

254. **Ernst and Young - 2022 to 2023 Interim Value for Money Report to those Charged with Governance**

The Committee received report number PAS/WS/24/007 presented by David Riglar from EY, the Council's external auditors.

Members were updated on the audit of the 2022 to 2023 financial statements and through the attached interim report (Appendix A) explained the work the external auditor had undertaken to assess the Council's value for money arrangements for the period 1 April 2022 to 31 March 2023 and highlighted any significant weaknesses identified along with recommendations for improvement.

David Riglar then drew the Committee's attention to Appendix A and highlighted the following areas:

- Page 21 - Executive summary: There was no change to the purpose of the audit. He explained that auditors no longer provided a conclusion, just reporting by exception, to which there was none for West Suffolk Council.
- Page 22 – Risk procedure: This had been considered and no risks had been identified.
- Page 23 – No significant risks had been identified under the reporting criteria.

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

There being no decision required the Committee:

- **Noted** the update on the external audit of the 2022 to 2023 financial statements;
- **Noted** that at this stage, the auditor had concluded that the Council had proper arrangements in place in 2022 to 2023 to secure economy, efficiency and effectiveness in its use of resources.

255. **Ernst and Young - Presentation of External Audit Plan and Fees 2023 to 2024**

The Committee received report number PAS/WS/24/008 presented by David Riglar from EY, the Council's external auditors.

EY were required to provide an audit plan, attached at Appendix A to the report, which covered the work they planned to perform in order to provide the Council with:

- An audit opinion on whether the financial statements of the Council gave a true and fair view of the financial position at 31 March 2024 and of the income and expenditure for the year ended.

- Commentary on the Council's arrangements to secure value for money on its use of resources.

The report summarised EY's assessment of the key issues which drive the development of an effective audit for the Council. The report also considered the likely impact of Government proposals to clear the backlog in local audit and put the local audit system on a sustainable footing.

David Riglar then drew the Committee's attention to Appendix A and highlighted the following areas:

- Pages 48 to 49: Set out the three phases to address local audit delays:
  - Phase 1 – Reset
  - Phase 2 – Recovery
  - Phase 3 - Reform
- Pages 50 to 51: Audit risks and areas of focus.
- Pages 52 to 53: Council materiality
- Page 56: Value for money – no risk had been identified.
- Page 82: Timetable of communication and deliverables.
- Pages 92 to 93: Appendix C – Set out the new auditing standards.

The Committee scrutinised the report and asked questions to which responses were provided.

In response to a question raised in relation to page 82 and the timetable, David Riglar advised the Committee that EY were ahead of the plan and were currently in the phase of carrying out substantive testing.

In response to a question raised on the new auditing standards and whether IFRS 16 would cause the Councils S151 officer any issues, the Committee was advised that this particular standard wasn't anticipated to have a material impact on the council.

In response to a question raised on audit fees, the Committee was informed that for the 2022 to 2023 audit, the Council would not be charged the full fee rate but would be paying a smaller fee for work which had been carried out by EY.

At the conclusion of the discussions, and there being no decision required the Committee:

- **Noted** EY's Audit Planning Report for the year ended March 2024.

## 256. 2023 to 2024 Performance Report (Quarter Four)

The Cabinet Member for Resources presented report number PAS/WS/24/009, which set out the final quarter performance for the year 2024 to 2025 both in financial results and key performance indicators. The financial results and performance dashboards included in the report and accompanying information covered the period of April 2023 to March 2024.

Attached to the report were a number of appendices as follows for the period January to March 2024 as follows:

- Appendix A: Key Performance Indicator (KPIs) Dashboards.
- Appendix B: Income and expenditure.
- Appendix C: Capital Programme.
- Appendix D: Earmarked reserves.
- Appendix E: Strategic Risk Register.
- Appendix Ei: Risk management Toolkit.
- EXEMPT Appendix F: Aged debt over 90 days.
- Appendix G: Oflog – what we know so far briefing note.
- Appendix H: Environment and Sustainability Reference Group quarterly report.

The Cabinet Member highlighted a number of KPIs in quarter four as follows:

Number of residents (per 1,000 head of population aged 65+) in receipt of Housing Benefit and / Pension Credit.	Following a request by the Committee the number of residents (per thousand head of population) on Universal Credit, Pension Credit and/or Housing Benefit for the five largest settlements had been included.
Number of residents (per 1,000 head of population aged 18 to 64) in receipt of Universal Credit pr Housing Benefit.	The two new indicators were split between residents aged 65+ and working age (18 to 64).
Social media	Two new KPIs had been included in quarter four, around the number of followers of West Suffolk social media channels (people who choose to follow the council's accounts) and the number of social media accounts reached by West Suffolk Council posts.
Number of staff vacancies	Following a request by the Committee a new KPI had been included to measure the number of staff vacancies.
Planning appeals	Following a request by the Committee two new planning appeal KPIs had been including to measure the percentage of major appeals allowed out of all appeals and the percentage of minor/other appeals

	allowed out of all appeals. Both KPIs were monitored by the Office for Local Government.
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The Cabinet Member for Resources then presented the financial perspective of the year-end outturn as at quarter four, which showed an overall balanced position. This result included the release of £315,000 of the planned top-up to the general fund of £800,000. This meant the general fund would increase to £5.5 million by the year end.

Without the use of the general fund allowance during the year, the deficit would have been £0.3 million. This was made up of a number of variances to the budget, including the impact of the agreed pay award, improved business rate income expectations, ongoing inflationary pressures and an improved result from car parking and trade waste income.

The Council had spent £13.0 million of its total available capital budget of £48.5 million for 2023 to 2024, as a result of project timings, mainly the timing of investment of the "Investing in Growth" fund projects, for example, the Innovation units at Suffolk Business Park and the use of the Barley Homes loan facility. There were also "carry forward" proposals for the majority of this unspent budget totalling £34.2 million.

The Council's reserve position remained strong with a forecast balance of £44.4 million against a budgeted closing balance of £36.7 million. The majority of the variance related to timing of expenditure into the next financial year related to capital programme phasing. The net under-utilisation was primarily due to savings on borrowing costs, high interest receivable and a backdated VAT payment from HMRC.

The Strategic Risk Register was being continually reviewed in the context of how the Council assesses and rates risks. This review had included an initial update to the Risk Management Toolkit which provided a framework for identifying, assessing and rating risks. A benchmarking exercise had also been carried out to compare the Council's risk reporting against five other local authorities across Suffolk, Norfolk and Cambridgeshire. The results of the exercise showed that the manner of recording, reporting and rating risks were very similar. Furthermore, the methodology, committee structure, frequency and overall split of risk was comparable across those local authorities sampled.

At the most recent assessment of the risk register, two new risk had been including to reflect the upcoming impact of the recycling legislation and the wider governance issues that had been faced by Councils that had issued s114 notices. These being:

- WS24: Implementation of "Simply Recycling" linked to the requirements of the Government's Resource and Waste Strategy (RAWS) and the Environment Act 2021.
- WS25: Governance

Attached at Appendix H was the quarterly progress report from the Environment and Sustainability Reference Group, which detailed progress on actions being undertaken by the Council under its agreed environmental and climate change action plans.

The Committee considered the report in detail and asked a number of questions to which responses were provided. In particular discussions were held on the KPI's the financial year-end and the risk register.

A discussion took place on the KPI relating to the "number of residents (per 1,000 head of populations aged 65 plus" in receipt of Housing Benefits and/or Pension Credit and it was highlighted that Clare had not been included in the data presented. In response officers explained that the data for the KPI were provided by the DWP and were only available by ward. The towns that had been included were all comprised of multiple wards, whereas the ward in which Clare was located also covered Hundon and Kedington so the data could not be isolated for the town of Clare. However, officers agreed to look into the data further to produce a heat map for the whole of West Suffolk showing the proportions of local populations in receipt of benefits.

In response to a question raised relating to Haverhill, a member asked to what extent people who were entitled to benefits were not claiming them, as the KPI data only covered those in receipt of benefits. Officers advised that a Suffolk-wide project was underway to explore the potential of a data tool called LIFT (Low Income Family Tracker) which looked at this issue and would include a note on the LIFT tool at its next meeting.

In response to a question raised on what constituted low income for Council Tax relief, officers agreed to provide a written response.

In response to a suggestion relating to understanding the location of fly-tipping incidents, officers agreed to include a note on fly-tipping hot spots at its next meeting.

In response to a question raised in relation to Appendix B, income and expenditure on the £18,000 Gypsy and Travellers Study on 'what was it for' and 'what did the study say', officers agreed to provide a written response.

At the conclusion of the discussions the Committee:

- **Noted** the year end 2023 to 2024 revenue and capital position as detailed in the report and appendices and did not raise any issues for Cabinet's consideration.

## 257. **Internal Audit Annual Report (2023 to 2024)**

The Cabinet Member for Resources presented Report No: PAS/WS/24/010, which set out the work performed by the Internal Audit team during 2023 to 2024 and provided an annual internal audit opinion based on that work. As presented in previous years, the audit opinion was split into four different areas, being governance; risk; internal control and financial control.

It was reported that three out of four of the audit opinions were now showing as “good assurance” which showed further improvements had been made since the previous years reporting. “Good assurance” was the highest level of assurance which could be awarded and therefore this should be seen as a very positive result and indicated that the “checks and balances” within the Council were working well.

Appendix A also provided a brief update on the new Global Internal Audit Standards which were the professional standards which would apply to all internal audit teams from next year. The Council’s internal audit team would be working towards complying with the new Standards over the coming months.

The report also set out the performance against the 2023 to 2024 Internal Audit Plan approved by the Committee last year and confirmed that all work within the approved plan had been completed other than the production of a new Internal Audit Charter. This had been delayed due to awaiting further guidance from CIPFA and the Institute of Internal Auditors regarding the new Internal Audit Standards as the guidance was expected to set out what should be included in the Charter.

Attached at Appendix B was the Annual Fraud Report which summarised the work which had taken place during 2023 to 2024 to prevent and detect fraud, theft and corruption. The report confirmed that further internal audit work had recently been carried out to check that controls relating to bank account changes were working as expected so that the risk of any future bank mandate fraud was minimised.

The report also included information on some attempted frauds by external parties which were foiled by the internal controls in place. Due to these controls and the vigilance of staff no loss was suffered by the Council.

The Vice-Chair of the Committee wished to thank the Cabinet Member and staff for including the extra checks and balances in relation to attempted frauds.

The Committee then considered the report and asked questions on what types of attempted frauds the Council had successfully stopped, to which comprehensive responses were provided.

At the conclusion of the discussions, and no decision required, the Committee:

- **Noted** the Internal Audit Annual Report 2023 to 2024; and
- **Noted** the Annual Fraud Report 2023 to 2024.

## 258. **Outline Internal Audit Plan (2024 to 2025)**

The Cabinet Member for Resources presented Report No: PAS/WS/24/011, which provided members with a proposed 2024-2025 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 which provided a framework for ensuring that audit resources were focused on activities that would help support the Council's priorities, and also enable the internal audit team to provide a robust annual internal audit opinion at the end of the year.

It was important that the audit plan was flexible and able to adapt to changing circumstances and changing risks, therefore there might be changes to the planned work during the year.

An update on progress against the audit plan was expected to be presented to the Committee in November 2024.

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

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

**RESOLVED:**

That the Internal Audit Plan for 2024 to 2025, attached at Appendix A and Appendix B to report number PAS/WS/24/011, be approved.

**259. Local Code of Corporate Governance**

The Cabinet Member for Resources presented report number PAS/WS/24/012, which informed members that the Council was required to develop and maintain an up-to-date local code of corporate governance which sets out the Council's aims to apply the seven principles of good governance in accordance with the CIPFA/SOLACE framework.

The local code was last reviewed in 2017 and readopted in 2019, and this was now an opportunity to ensure it was up to date and fit for purpose.

The seven principles were marked as A to G in the Local Code of Corporate Governance attached as Appendix 1 to the report.

Each year the Council completed an annual governance review which provided key examples under each of the seven principles set out in the Code where the Council had adhered to its governance commitments throughout the preceding year although this was not intended to be an exhaustive list.

The Committee considered the Local Code of Corporate Governance and did not raise any specific issues.

It was then proposed by Councillor Janne Jarvis, dully seconded by Councillor Frank Stennett and with the vote being unanimous:

**RECOMMENDED:**

**That subject to the approval of Cabinet and Council, the Local Code of Corporate Governance attached as Appendix 1 to report number PAS/WS/24/012 be approved.**



## 260. **Co-opting Non-elected Independent Members**

The Chair presented report number PAS/WS/24/013, which followed on from that presented to the Committee on 25 January 2024 setting out proposals regarding the co-opting of non-elected independent members to the Performance and Audit Scrutiny Committee. At that meeting the Committee:

- Agreed the principle of co-opting two non-elected members to the Committee; and
- Approved the approach, including the next steps to co-opting independent members.

Report number PAS/WS/24/013 set out progress made and sought the Committee's approval for the recruitment process; recruitment pack; and appointment of an interview panel.

The recruitment pack comprised a person specification attached as Appendix A and a timeline for the recruitment process at Appendix B to the report.

The Committee considered the report and asked questions to which responses were provided.

In response to a question raised, officers advised that they would not be asking candidates their political preferences, however checks would be undertaken as per CIPFA guidance.

It was then proposed by Councillor Peter Armitage, seconded by Councillor Frank Stennett, and with the vote being unanimous, it was:

### **RESOLVED: That**

- 1) The Committee **approved** the person specification attached as Appendix A and the timeline at Appendix B to report number PAS/WS/24/013.
- 2) The Committee **approved** the recruitment approach as set out in section 2.4 of report number PAS/WS/24/013.

## 261. **Annual Report from the Health and Safety Sub-Committee**

The Committee received report number PAS/WS/24/014, which summarised the work carried out by the Health and Safety Sub-Committee during 2023-2024.

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 Committee considered the report and did not raise any issues.

There being no decision required, the Committee **noted** the Health and Safety Summary Report 2023 to 2024.

## 262. **Annual Re-Appointments to the Financial Resilience Sub-Committee**

The Chair of the Committee presented report number PAS/WS/24/015, which sought the annual appointments to the Financial Resilience Sub-Committee.

The Constitution sets out that the appointment of members to the Financial Resilience 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 to the report was the terms of reference for the Financial Resilience 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 2024 to 2025.

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

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 Peter Armitage 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 agreed for the temporary substitute place to be appointed as and when needed by a Group Leader to the Monitoring Officer, which had worked well in 2023 to 2024.

With the vote being unanimous, it was,

**RESOLVED:** That

- 1) Councillors Ian Houlder (Conservative Group), Frank Stennett (Independents) and Peter Armitage (Progressive Alliance Group), be appointed as full members to the Financial Resilience Sub-Committee for 2024 to 2025.
- 2) The appointment of a substitute to the Financial Resilience Sub-Committee be a temporary substitute place and appointed by a Group Leader to the Monitoring Officer.

263. **Work programme update 2024 to 2025**

The Committee received report number: PAS/WS/24/016, which updated members on the current status of its rolling work programme of items for scrutiny during 2020-2021 (Appendix 1).

There Committee considered its work programme, and there being no decision required, the Committee **noted** the update.

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

See minute number 265 below.

265. **2023 to 2024 Performance Report (Quarter Four) - EXEMPT Appendix F**

The Performance and Audit Scrutiny Committee made no reference to Exempt Appendix F under report number PAS/WS/24/009, therefore this item was not held in private session.

The meeting concluded at 6.24 pm

**Signed by:**

**Chair**

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