

MINUTES OF THE JOINT AUDIT AND STANDARDS COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, COUNCIL OFFICES, HADLEIGH ON
FRIDAY 22 JANUARY 2016 AT 10.30 A.M.

PRESENT: John Ward (Vice-Chairman in the Chair)

BABERGH

MID SUFFOLK

Sue Ayres
Tina Campbell
Siân Dawson
John Hinton
Margaret Maybury
Alastair McCraw
David Rose

David Card
Lavinia Hadingham
Glen Horn
John Matthissen
Suzie Morley
Penny Otton
Kevin Welsby

Councillor Jill Wilshaw was unable to be present.

34 SUBSTITUTES

It was noted that in accordance with Council Procedure Rule No.5, substitutes were in attendance as follows:-

Alastair McCraw (substituting for Tony Bavington)
Margaret Maybury (substituting for William Shropshire)
David Card (substituting for Elizabeth Gibson-Harries)

35 DECLARATION OF INTERESTS

There were no declarations of interest.

36 MINUTES

RESOLVED

That the Minutes of the meeting held on 19 October 2015 be confirmed and signed as a correct record.

37 PETITIONS

None received.

38 QUESTIONS FROM THE PUBLIC

None received.

39 QUESTIONS FROM MEMBERS

None received.

40 JOINT TREASURY MANAGEMENT STRATEGY 2016/17

Members had before them a revised report ([Paper JAC65R](#)) which had been circulated prior to the meeting. The Head of Corporate Resources introduced Paper JAC65R presenting the proposed Treasury Management Strategy and Policy Statement (including the Annual Investment Strategy for managing surplus funds and borrowing strategy). These are in accordance with the CIPFA Treasury Management Code.

The Prudential Indicators and Minimum Revenue Provision (MRP) Statement are linked to the Budget report which would be presented to Strategy and Executive Committees and both Council meetings in February 2016.

It was noted that the Code of Practice recommends that the Strategy is subject to scrutiny before it is presented to Council, which falls within the remit of the Joint Audit and Standards Committee.

During her presentation, the Head of Corporate Resources advised Members of the changes contained in the revised report and of the following correction:

- Page 22 paragraph 13.2, the Mid Suffolk figure to be corrected to £115 million.

In response to Members' questions the Head of Corporate Resources advised that:

- The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR, together with usable reserves, is one of the core drivers of both Councils' Treasury management activities.
- Appendix F to the report is the current list of potential banks and building societies that both Councils can lend to based on credit risk and credit ratings criteria, this is monitored continuously as the position changes throughout the year.
- In line with advice received from Arlingclose (the Councils' treasury advisors) the maximum investment limit per institution has been increased from £1m to £2m for unsecured specified investments for Babergh but remains unchanged at £1m for Mid Suffolk.

RECOMMENDED TO EXECUTIVE AND STRATEGY COMMITTEES AND BOTH COUNCILS

- (1) **That the key factors and information relating to and affecting treasury management activities set out in Appendix A and B be noted.**
- (2) **That the following be approved:**
 - (a) **The Treasury Management Policy Statement set out in Appendix C to Paper JAC65R**

(b) **The Treasury Management Strategy for 2016/17, incorporating the proposed changes referred to in sections 10.15 and 10.16 of the report and including the Annual Investment Strategy as set out in Appendix D to Paper JAC65R**

(c) **The Prudential Indicators and Minimum Revenue Provision Statement set out in Appendices G and H to Paper JAC65R**

41 TREASURY MANAGEMENT – NEW CASH INVESTMENTS

The Corporate Manager – Financial Services submitted a report ([Paper JAC66](#)) outlining the approach being taken for New Cash Investments in both the short and medium/long term and its link to the Medium Term Financial Strategy. The report also provided Members with an update on the performance for the first period of new areas of investments made with the CCLA, Funding Circle and other funds.

Members noted that an update on the CCLA / Funding Circle investments will be submitted to this Committee on a six-monthly basis.

RESOLVED

That the content of Paper JAC66 be noted.

42 RISK MANAGEMENT STRATEGY

The Corporate Manager – Internal Audit submitted a report ([Paper JAC67](#)) providing Members with an updated Risk Management Strategy which has been enhanced to demonstrate why and how we should manage risk.

During his presentation, the Corporate Manager – Internal Audit advised Members that the Significant Business Risk Register would now be presented to the April meeting following consideration of the Strategic Plan Refresh by the Strategy and Executive Committees in February.

Members expressed disappointment that the Significant Business Risk Register item had been deferred and questioned whether they were able to consider the Risk Management Strategy without it.

The Corporate Manager – Internal Audit advised that the Risk Management Strategy provides the framework for managing risks and therefore stands alone from the Register.

An amendment was then proposed and seconded to defer consideration of the Risk Management Strategy but lost on being put to the vote.

The Recommendation contained in 2.1 of Paper JAC67 was then moved with an additional recommendation requesting that the Significant Business Risk Register be made available to Members within 7 days.

RESOLVED

(1) That the updated Risk Management Strategy attached as Appendix A to Paper JAC67 be approved.

- (2) **That the Significant Business Risk Register be made available to Members within 7 days.**

43 COMPLAINTS MONITORING REPORT

Jonathan Reed, Deputy Monitoring Officer, introduced Paper [JAC68](#) updating Members on Code of Conduct complaints received by the Monitoring Officer.

RESOLVED

That the content of Paper JAC68 be noted.

44 UPDATE ON COMPLIANCE WITH PART 7 OF THE LOCALISM ACT 2011

Jonathan Reed, Deputy Monitoring Officer, introduced [Paper JAC69](#) which updated Members on measures taken to comply with Part 7 of the Localism Act 2011.

RESOLVED

That the measures taken to comply with the requirements within Part 1, Chapter 7 of the Localism Act 2011, as outlined in Paper JAC69, be noted.

45 FORWARD PLAN

Members noted that the Forward Plan for 2016/17 will be populated at the next meeting in April.

RESOLVED

That the content of [Paper JAC70](#) be noted.

46 COMMENCEMENT TIMES OF FUTURE MEETINGS

The Chairman invited Members to put forward their views on preferred start times for future meetings of the Joint Committee. After a short discussion, a proposal for morning meetings was moved, and carried on being put to the vote.

RESOLVED

That, with immediate effect, all meetings of the Joint Audit and Standards Committee shall commence at 10.00 a.m.

The business of the meeting was concluded at 12.05 p.m.

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Chairman